

# US-VISIT—A DOWN PAYMENT ON HOMELAND SECURITY

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## HEARING BEFORE THE SUBCOMMITTEE ON IMMIGRATION, BORDER SECURITY, AND CLAIMS OF THE COMMITTEE ON THE JUDICIARY HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS SECOND SESSION

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## US-VISIT—A DOWN PAYMENT ON HOMELAND SECURITY

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THURSDAY, MARCH 18, 2004

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON IMMIGRATION,  
BORDER SECURITY, AND CLAIMS,  
COMMITTEE ON THE JUDICIARY,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 10:05 a.m., in Room 2141, Rayburn House Office Building, Hon. John N. Hostettler (Chair of the Subcommittee) presiding.

Mr. HOSTETTLER. The Subcommittee will come to order.

Today, the Subcommittee on Immigration, Border Security, and Claims will examine the Department of Homeland Security's new capabilities in the entry inspection of foreign travelers into the U.S. under the United States Visitor and Immigrant Status Indicator Technology—or US-VISIT—program and review its progress in meeting its statutory deadlines. The Subcommittee will also examine how US-VISIT has worked to prevent and deter alien criminals, terrorists, and immigration law violators from entering the United States while avoiding delays for legitimate travelers.

With the recent terrorist bombings in Spain only a week ago, I am reminded of the horrible tragedy of 9/11 in our own country. Preventing and deterring terrorism in the U.S. lies at the very heart of why we have instituted the US-VISIT program and why we need to continue strengthening and improving it.

Just as the terrorists arrested for the Madrid bombings are not natives of Spain, it is often noted that all of the 9/11 hijackers were temporary visitors who came to this country with visas.

When DHS met its statutory deadlines to improve the process this past December, US-VISIT fused information from airline passenger manifests, criminal records, State Department visa records, and immigration data systems so that guests entering our country are screened in both a more effective and efficient way.

US-VISIT has already proven its effectiveness in capturing numerous criminal aliens attempting to reenter the U.S. In January, US-VISIT detected a convicted Peruvian cocaine trafficker who has been at large since 1984 after escaping from prison. An El Salvadoran with an outstanding arrest warrant for a DUI hit-and-run homicide conviction was also caught by US-VISIT, even though he had previously used a false identity to successfully reenter the U.S.

These examples also demonstrate the efficiencies gained from the newly integrated watchlist systems. Now foreign travelers are questioned at the ports of entry while scanning their fingerprints

and having their photos taken in the same place that they were screened before.

Through improved systems techniques, multiple databases are checked in a few seconds, including the IDENT fingerprint records. Inspectors are able to screen applicants for entry in a thorough manner without a discernable increase in waiting times.

This is of significant benefit to private sector trade and tourism because efficient handling of people and cargo at our borders is very important to trade and tourism. While some foretold of extensive waiting lines, chaotic inspections, and unprecedented invasions of privacy, none have come to pass.

What have the American people gained with multi-million-dollar investment, one might ask? Return to the bombing in Madrid and think of how this tragedy will damage Spain's tourist industry and potentially its entire economy as a whole, just as the U.S. is still recovering from the economic damage of 9/11. As Spain has no equivalent to US-VISIT, how will the Spanish Government reassure those people who might be considering a vacation in Spain this summer?

To use a private sector term, one might say US-VISIT is a "down payment" on building a secure border—one that deters or prevents terrorist attacks on the U.S. and at the same time assists the apprehension of criminals and immigration violators. These are significant benefits for a substantially small investment.

The first stage of implementing this long-awaited entry-exit system was put into effect at the beginning of this year. Although there was a law enacted in 1996 that required the development of an entry-exit alien screening system, no executive agency made discernable progress on this mandate until the Department of Homeland Security, or DHS, took charge. The September 11th attacks and the hard deadline set by the Data Management Improvement Act, authored by my colleague Mr. Lamar Smith, also provided impetus for DHS to finally make US-VISIT a reality.

Our guests here today include some of the DHS architects of US-VISIT. Gentlemen, I must commend you on completing the first stage of this gargantuan task of putting the US-VISIT system together on time and within the 1 year the Department of Homeland Security has actually been in existence. Your incredible accomplishment provides inspiration for the employees of your new agency, and I invite you to present your views on the effectiveness, efficiencies, and private sector benefits of US-VISIT.

At this time, I would like to recognize the gentleman from Texas for an opening statement.

Mr. SMITH. Thank you, Mr. Chairman, and I'll be brief.

First of all, thank you for the mention. I do have a personal interest in this subject, and it really coincides with, once again, an opportunity to thank you for taking the initiative, as you have so often, on holding a hearing on such important issues as this one.

I also want to acknowledge a long-time friend from San Antonio, Al Martinez-Fonts, who is a witness today. And having said that, I also have to apologize in advance. I have a markup with the Homeland Security Committee that I have to go to right now, so I will not be able to stay. But I just wanted to recognize Al, and thank you, Mr. Chairman, and I'll yield back.

Mr. HOSTETTLER. The gentleman's time has expired.

The Chair recognizes the gentleman from California for an opening statement.

Mr. BERMAN. Well, thank you, Mr. Chairman. Our Ranking Member is introducing a witness at another hearing and couldn't be here, so I would like to use that time because I have a hearing that I have to go to soon after 10:30. I was hoping either of the two Administration witnesses in the course of their opening statement could address one particular—the interconnection between US-VISIT, a program which I think is a smart, sensible program to help us keep track of who is coming to this country, when they leave, what their status is while they're—and where they are while they're here, and NSEERS program, which I have some concern—I have a number of concerns about. And let me just mention, there was confusion about whether NSEERS continues to exist and its interrelationship with US-VISIT.

When Secretary Ridge announced the US-VISIT system, it was widely reported that it was replacing NSEERS entirely. Three months later, last December, it was widely reported that Department of Homeland Security had brought NSEERS to an end. Later, it was clarified that the death of the program had been prematurely reported, that it was the only—it was only the re-registration requirements that had been changed and not eliminated.

The DHS question and answer release on US-VISIT clearly states that NSEERS will be subsumed entirely by US-VISIT in the future. Can you elaborate on this? What's the timeline for the elimination of NSEERS? How does it tie into US-VISIT implementation? And will this apply to all aspects of NSEERS? In other words, and in conclusion, will we see parity in treatment at points of entry, no difference based upon nationality, and will the re-registration requirements disappear completely or become a part of US-VISIT?

Thank you, Mr. Chairman. And I appreciate to the extent you could address any of that in your opening comments, only because my fear is that at 10:30 I won't be around.

Mr. HOSTETTLER. The Chair now recognizes the gentleman from Iowa, Mr. King, for an opening statement.

Mr. KING. Thank you, Mr. Chairman, and I will keep it brief. But I appreciate you holding this hearing today, and I'm happy to be here and looking forward to the testimony of the witnesses. I was concerned when Homeland Security announced that most Mexicans who currently hold a border crossing card will now be processed through US-VISIT, and I believe that they should be. Under current law, those who hold a border crossing card as a border crossing card can only travel for up to 3 days in a border zone. But how do we know whether these cardholders are complying with these restrictions?

In addition, we don't know whether any person is posing as a cardholder if fingerprints are not verified at each crossing. So currently DHS inspectors only check a border crossing cardholder's picture by sight.

So I look forward to the day when US-VISIT will ensure that no border crossing cardholder stays illegally in the country for over

the allotted 72 hours, and I'm encouraged by the progress in implementing US-VISIT.

Thank you. I look forward to the testimony.

Mr. HOSTETTLER. I thank the gentleman.

The Chair now will introduce the panel before us. In 2002, the Commissioner of Customs designated Robert M. Jacksta as the Executive Director of Border Security and Facilitation, U.S. Customs and Border Protection. Mr. Jacksta directs the day-to-day activities of Border Security and Facilitation at the ports of entry. Mr. Jacksta first joined the Customs Service at New York's John F. Kennedy Airport in 1973 while attending college. During his long career, he has worked in the capacity of patrol officer, inspector, and senior inspector. Mr. Jacksta took an active role in the field, including work on national task forces and supervisory assignments, before transferring to Customs in Washington, D.C., in 1991. Mr. Jacksta has also served as port director of Washington, D.C., based at Dulles Airport, and director of passenger programs. The Commissioner recognized Mr. Jacksta in 1995 by awarding him the Customs Service's "Customer Service Award." And in December 1999, he received the Commissioner Outstanding Performance Award. Mr. Jacksta received a bachelor of science degree from Buffalo State College in New York in 1976, where he majored in criminal justice.

Mr. Robert Mocny is currently the Deputy Director of US-VISIT within the Border and Transportation Security Directorate. He started his career in 1989 with the Immigration and Naturalization Service as an inspector at the port of entry in San Francisco, California. There he developed a series of automated management programs, later adopted by the INS for nationwide use. Mr. Mocny was also a special operations inspector, providing training in the detection of fraudulent documents. At INS headquarters in Washington, D.C., he established the Secure Electronic Network for Travelers' Rapid Inspection, or SENTRI, program, the world's first electronic border control program that expedites the entry of low-risk border crossers at the southern border. Mr. Mocny received his bachelor degree from the University of California at Santa Barbara.

Alfonso Martinez-Fonts, Jr., is the Special Assistant to the Secretary for the Private Sector at the Department of Homeland Security. His duties include providing America's private sector with an avenue of dialogue with the Department. He has previously served in the private sector as chairman and chief executive officer of JP Morgan Chase Bank in El Paso, Texas, and president of the bank in San Antonio. Mr. Martinez-Fonts has also served on many boards, including the Greater El Paso Chamber Foundation, the Fannie Mae Advisory Board, and the American Bankers Association Communications Council. He received his undergraduate degree in political science from Villanova University in 1971 and his MBA in finance from Long Island University in 1974.

Mr. Randolph Hite is the Director of Information Technology Architecture and Systems Issues at the General Accounting Office, or GAO. During his 25-year career with GAO, he has directed reviews of major Federal investments in information technology, such as the IRS' tax systems modernization—which must have been a Her-



culean task itself—FAA’s air traffic control modernization, the National Weather Service’s weather systems modernization, Customs’ import processing modernization, and DOD’s business systems modernization. Mr. Hite has a business degree from James Madison University and has completed graduate work at George Washington University, Carnegie Mellon University, Harvard University, and Syracuse University.

Gentlemen, thank you for your presence here today. Before I begin, I would like to also recognize, if not embarrass, a former employee of this Subcommittee, Lora Ries, who has returned. We very much appreciate her work on this Subcommittee over the years and know she is doing a great job for the Department. So it’s good to have Lora here as well.

Mr. Jacksta, the floor is yours.

**STATEMENT OF ROBERT M. JACKSTA, EXECUTIVE DIRECTOR,  
BORDER SECURITY AND FACILITATION, OFFICE OF FIELD  
OPERATIONS, U.S. CUSTOMS AND BORDER PROTECTION, U.S.  
DEPARTMENT OF HOMELAND SECURITY**

Mr. JACKSTA. Good morning, Chairman Hostettler, Members of the Subcommittee. Thank you for the opportunity to testify today. I am Robert Jacksta, Executive Director of Border Security and Facilitation, Office of Field Operations within U.S. Customs and Border and Protection. I would like to discuss today the efforts of U.S. Customs and Border Protection to secure our borders against terrorism and other criminal threats and how CBP has incorporated US-VISIT as a tool in this process.

Prior to full integration into the Department of Homeland Security, U.S. Customs historically shared the responsibility of protecting our borders with multiple agencies, our closest partner in this endeavor being the Immigration and Naturalization Service. Since March 1, 2003, the border inspection functions of the agency, along with the Agricultural Quarantine Inspections, have been merged into one border control agency. Through CBP, all people and goods entering the United States must legally enter through one of our over 300 land, air, and seaports of entry. In fiscal year 2003, more than 400 million travelers passed these ports into the United States.

CBP is committed to programs aimed at efficiently and reliably identifying compliant travelers while ensuring that all travelers are screened. The US-VISIT program has integrated well into the CBP’s existing programs to accomplish this mission. CBP has been a full working partner with the US-VISIT Program Office, and we continue to work with the Department of Homeland Security on this important issue.

We have also been working with the Department of State, the Department of Justice, and other Federal agencies and have made great strides in improving overall border management. We do this through the collection of pre-arrival, arrival, and departure information on international travelers. To this end, CBP has been able to integrate US-VISIT with other CBP processes to increase the effectiveness of border management which includes biometric and biographical checks against law enforcement databases.

In the fall of last year, in anticipation of US-VISIT implementation, 2,100 new work stations and document readers were deployed to each of the 115 airports and 14 seaports where US-VISIT is in place. In the fall of 2003, CBP trained over 4,700 CBP officers in the use of US-VISIT and the process and implementation changes needed to make this an effective program.

Since the initiation of US-VISIT on January 5, 2004, CBP has processed over 2 million travelers through US-VISIT, with no interruption in the facilitation of legitimate travelers into the United States. The US-VISIT process of capturing biometrics, two fingerscans, and a digital photo takes less than 15 seconds. The Automated Biometric Identification System that stores this data, called IDENT, takes only seconds to capture the person's information. Overall processing of those travelers has not significantly impacted flight processing. On the average, most flights are processed in less than 45 minutes.

There have been over 195 verified lookout matches since January 5, 2004. Those matches have enabled CBP to intercept rapists, drug traffickers, perpetrators of credit card fraud, and convicted armed robbers. Others who had been previously deported or denied entry and attempted to reenter using another alias have been intercepted and prevented from entering the country.

One of CBP's important tools is the Advance Passenger Information System which allows the traveler's biographical data to be collected and vetted through law enforcement databases prior to their arrival. The biometrics collected upon arrival through US-VISIT allows CBP to verify the identity of the individual for whom the APIS data was transmitted. We have also established a National Targeting Center to use this information to generate advance queries and identify actionable targets. We have also provided important training to our officers, including anti-terrorism training, interviewing techniques, and document fraud training.

With CBP's officer intuition, integration of advance technology, and multi-agency coordination, we have enhanced the security and safety of all citizens, residents, and visitors.

As we move forward toward the expansion of US-VISIT initiatives to the land border, CBP will continue to leverage our existing programs, such as our National Targeting Center, dedicated commuter lanes, license plate reader program, free and secure trade, and biometric verification system to assist in meeting the Department of Homeland Security mandates.

In summary, the US-VISIT process at airports and seaports has demonstrated its capability to enhance the security of our citizens and visitors, facilitate legitimate trade and travel, and ensure the integrity of the immigration service, at the same time protecting the personal privacy of our visitors. In just the first 2 months, the first release of US-VISIT has improved the security of our citizens and visitors. CBP officers are actually excited about having this new tool in their arsenal.

Thank you again, Chairman Hostettler and Members of the Subcommittee. I would also like to invite you and your staff out to Dulles Airport so we can give you a live demonstration of an operational environment and how US-VISIT is used on a daily basis.

[The prepared statement of Mr. Jacksta follows:]

## PREPARED STATEMENT OF ROBERT JACKSTA

Chairman Hostettler and Members of the Subcommittee, thank you for this opportunity to testify. I am Robert Jacksta, Executive Director for Border Security and Facilitation, Office of Field Operations. I would like to discuss the efforts of the U.S. Customs and Border Protection (CBP) to secure our borders against terrorism and other criminal threats and how CBP has incorporated US-VISIT as a tool in this process.

Prior to integration into the Department of Homeland Security, the U.S. Customs Service historically shared the responsibility of protecting our borders with multiple agencies, our closest partner in this endeavor being the Immigration and Naturalization Service (INS). Since March 1, 2003, the border enforcement functions of the INS and Customs, along with the Department of Agriculture's Agricultural Quarantine Inspections have been merged into one border control agency, CBP. Through CBP, all people and goods entering the United States through one of over 300 land, air, or seaports of entry into the U.S. from foreign countries are subject to inspection. In fiscal year 2003, more than 400 million people passed through these ports into the United States.

CBP is committed to programs aimed at efficiently and reliably identifying compliant travelers while ensuring that all travelers are screened appropriately. The US-VISIT program has integrated well into CBP's existing programs to accomplish this goal. CBP has been a full working partner with the US-VISIT Program Office within the Department of Homeland Security, and has committed to implement each phase of the US-VISIT mandate.

We have also been working with the Department of State, the Department of Justice, and other federal agencies and have made great strides in improving overall border management through the collection of pre-arrival, arrival, and departure information on international travelers. To this end, CBP has been able to integrate US-VISIT with other CBP processes to increase the effectiveness of border management which includes biometric and biographical checks against law enforcement databases.

In the fall of last year, in anticipation of US-VISIT implementation, 2,100 new workstations and document readers were deployed to each of the 115 airports and 14 seaports where US-VISIT is now in place. CBP has trained 4,700 Officers in the US-VISIT process and implemented changes to include US-VISIT as part of the initial CBP Officers training at the academy in Glynco, Georgia.

Since the initiation of US-VISIT on January 5, 2004, CBP has processed over 2 million travelers through US-VISIT, with no interruption in the facilitation of legitimate travelers into the United States. There have been 195 verified lookout matches with the use of US-VISIT. Those matches have enabled CBP to intercept rapists, drug traffickers, perpetrators of credit card fraud, and convicted armed robbers. Others who had been previously deported or denied entry and attempted to reenter using another alias have been intercepted and prevented from entering the country.

One of CBP's important tools is the Advance Passenger Information System (APIS) which allows the traveler's biographical data to be collected and vetted through law enforcement databases prior to their arrival. The biometrics collected upon arrival through the US-VISIT process allows CBP to verify the identity of the individual for whom the APIS data was submitted and identify those who may be utilizing multiple identities or false documents. We have also provided important training to our Officers including Anti-Terrorism training, interviewing techniques and document fraud.

With the integration of advance technology, multi-agency coordination, and front line CBP Officer intuition, we have enhanced the security and safety of citizens, residents and visitors.

CBP's integration of US-VISIT at ports of entry has not come at the expense of legitimate travel. The US-VISIT process of capturing biometrics, two fingerscans and a digital photo, takes less than 15 seconds. The Automated Biometric Identification System that stores this data, called IDENT, takes only seconds to capture the person's information. Overall processing of those travelers subject to US-VISIT has not significantly impacted flight processing. On the average, most flights are processed in less than 45 minutes; which is about the same time it took before we implemented US-VISIT.

As we assist US-VISIT in meeting the next phase of mandates in the initiative, CBP will continue to leverage our existing programs, including Dedicated Commuter Lanes such as NEXUS and SENTRI, License Plate Reader programs, Free and Secure Trade and the Biometrics Verification System.

In summary, the US-VISIT process at airports and seaports has demonstrated its capability to enhance the security of our citizens and visitors, facilitate legitimate

travel and trade, ensure the integrity of the immigration system and safeguard the personal information of visitors from theft or misuse. In just the first two months, the first release of US-VISIT has improved the security of our citizens and visitors. CBP Officers have said that the new tools we have put in place truly help them do their job more effectively.

Thank you again, Chairman Hostettler and members of the Sub-Committee, for giving U.S. Customs and Border Protection this opportunity to testify. I would be happy to answer any questions you may have.

Mr. HOSTETTLER. Thank you, Mr. Jacksta, and I look forward to that visit.

Mr. Mocny, the floor is yours.

**STATEMENT OF ROBERT A. MOCNY, DEPUTY DIRECTOR, US-VISIT OFFICE, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. MOCNY. Thank you, Chairman Hostettler. Before I begin, could you afford me some additional time to answer Mr. Berman's questions, or do you want me to go through my opening statement first?

Mr. HOSTETTLER. Without objection. He will be leaving in a short time. That would be very helpful.

Mr. MOCNY. As you mentioned, the 30-day and 1-year provisions of NSEERS have been discontinued. By regulation, we stopped that as of December of last year. The registration at the ports of entry will continue for a period of time. That will continue until we can kind of meld into or develop into the US-VISIT program the additional questions that we would need to ask of any individual who might pose a particular threat. As you know, the five states that sponsor terrorism are some of the individuals who are a part of that extra questioning. The other countries are based on actual intelligence, and without getting into the exact criteria, those individuals are asked to provide additional information.

We have always had that ability to ask additional questions of any individual who either poses a threat or, for whatever reason, cannot quite answer all the questions on the primary, so we ask those individuals to go back into a secondary area where we can spend additional time without holding up the traffic there.

We will bring into US-VISIT the additional scrutiny that would apply to these individuals. I can't give you a specific time. I think we've been on the record to talk about an award in May that we would give to the private sector who look at the long-term vision of US-VISIT and where we can fit into the current questioning process and the current processing of US-VISIT individuals how we might bring in a secondary piece of that. So it is true that the current process will continue as it has continued at the ports of entry. These people, of course, do not have to show up for a 30-day re-interview. They do not have to show up for a 1-year interview. And there is no more domestic registration. That was ended as well.

Mr. HOSTETTLER. The Chair now recognizes Mr. Mocny for 5 minutes.

Mr. MOCNY. Thank you, Chairman Hostettler and other distinguished Members. It is an honor to appear before you today to discuss the Department of Homeland Security's US-VISIT program. You have just heard from my colleague, Bob Jacksta, on the positive impacts this program has already had on the safety and security of the United States. In the next few minutes, I would like to

share with you a glimpse of our vision and how we will achieve our goals of enhancing national security, facilitating the entry of legitimate trade and travel, ensuring the integrity of our immigration system, and protecting the privacy of our visitors.

Before I do that, let me first thank this Committee for its leadership in establishing the statutory framework for US-VISIT. I would like to express my appreciation to Congressman Lamar Smith, as you did, for his vision of an entry and exit system and all the others who provided the discipline and focus that has resulted in the first successful increment of US-VISIT. I was in front of this Committee in 1998 testifying how technology could assist us in our entry and exit system. Today, we can all claim some victory, perhaps later than many of us would have liked, but victory nonetheless as we have begun to address the critical issues of illegal immigration and the safety and security of our Nation.

The Department of Homeland Security has a vision for a virtual border. This vision involves not only our Department but also the Departments of State, Justice, Transportation, Commerce, and others. It depends on the active participation of the countries in the visa waiver program. Indeed, it involves the entire international community.

In this vision, we see a decision-making process that begins far from the physical boundaries that define our sovereign national territory and long before any foreign national arrives at a port of entry. Border security will not occur at a defined point on a map, but through millions of lines of code in a computer system and millions of human decisions a day.

Unfortunately, today many of these decisions are made without full information. Over the decades, we have amassed a great deal of information on foreign nationals, but that data is in separate databases in stove-piped systems and spread across the Federal Government. US-VISIT seeks to take account of that data, integrate where appropriate, and retire systems where appropriate, and create new business processes and use the latest technology to reform the entire system. This modernization effort will require the collective will and resources of many of the departments, agencies, and bureaus I mentioned earlier. We need to assimilate the right information and provide that information to the decision makers who grant visas, grant admission to the United States, grant benefits, and decide who to detain or release.

This means that consular officials from the Department of State will have up-to-date information generated by the Department of Homeland Security, and the Department of State will establish identities through the use of biometrics and provide these biometrics and other visa information to the Department of Homeland Security. This will help us decide whom to move quickly through the clearance process and with whom to spend more time.

If our mission is to reform our borders, we must build into the program the right enforcement mechanisms. By virtue of our name, US-VISIT, we want to remain a welcoming country. But we must also stand ready to remove those few individuals who violate the terms of their visa. US-VISIT will supply information to the Compliance Enforcement Unit of Immigration and Customs Enforcement so that through online searches of addresses supplied by the

visitor and other contact information we have collected, agents will be able to locate and remove non-compliant visitors.

The numbers are daunting. With over 400 million inspections each year, billions of dollars in trade, dependencies on tourism, and millions of foreign students attending our schools, the Federal Government cannot do this alone. So US-VISIT has reached out to the private sector. The transportation industry, port authorities, technology companies, and others will play a critical role in this new vision. You will hear shortly from Mr. Al Martinez-Fonts who will describe how US-VISIT engaged with the private industry.

And speaking with the latest technology, our solution for the land border is dependent on it. As of December 31, 2004, foreign nationals requiring a visa arriving at one of the 50 busiest land ports of entry will have their two index fingers scanned and have a digital photograph taken. That's the easy part. But for the millions of border crossing cardholders and other foreign nationals who may not require a visa and cross daily, we need a mechanism to efficiently capture their data. We need to digitize our borders. We will do this by building upon the successful SENTRI and NEXUS programs that use radio frequency technology. This technology has been tested, it is mature, and it is the solution that will enable us to secure our borders while we expedite the flow of legitimate trade and travel that we depend on for a strong economy. Since we last talked about this subject, as one would expect, technology has evolved, and within a relatively short period of time, we believe that we can combine radio frequency technology with biometrics so that individuals can be positively identified when they enter the United States and when they exit. We now have the opportunity and the will to make this a reality.

US-VISIT is only getting started. We have a long way to go, but along that way we will be able to demonstrably improve the security of the Nation without harming our economy. The U.S. is a welcoming country. But we, as stewards of immigration, must continue to enhance our ability to protect the Nation and ensure the integrity of the immigration process. We believe that US-VISIT is a major step in reforming our borders. It is also the responsible thing to do.

That's the end of my testimony. I believe we now have a video, if we can, to show the US-VISIT process. These series of shots were taken at Atlanta's Hartfield Jackson Airport. It is about 2 minutes long, Mr. Chairman. The volume might be a little bit low, so if we could have it as quiet in here as possible, that would be very helpful.

Thank you.

[The prepared statement of Mr. Mocny follows:]

#### PREPARED STATEMENT OF ROBERT MOCNY

Chairman Hostettler, Ranking Member Jackson Lee and other distinguished Members, it is a pleasure to appear before you today to discuss the Department of Homeland Security's US-VISIT program and how this fits in with our commitment to protect the homeland.

US-VISIT represents yet another major milestone in enhancing our nation's security and our efforts to reform our borders. It is a major step towards bringing integrity back to our immigration and border enforcement systems.

US-VISIT is a continuum of security measures that begins before an individual enters the United States and continues through arrival and departure from the

United States. It incorporates eligibility determinations made by both the Department of Homeland Security (DHS) and the Department of State.

Using biometrics such as digital, inkless fingerscans and digital photographs, DHS is able to determine whether the person applying for entry to the United States is the same person who was issued the visa by the Department of State. Additionally, the biometric and biographic data are checked against watch lists, improving the DHS' ability to make admissibility decisions as well as the Department of State's ability to make visa determinations.

US-VISIT procedures are clear, simple, and fast for foreign nationals.

DHS deployed US-VISIT on time, on budget, and has met the mandates established by Congress, as well as the challenge by the Secretary of Homeland Security to incorporate biometrics (fingerscans) into US-VISIT ahead of schedule. By January 5, 2004, US-VISIT entry procedures were operational at 115 airports (covering 99% of air travelers who use nonimmigrant visas to enter the United States) and 14 seaports, and we began pilot testing biometric exit procedures at one airport and one seaport. As of yesterday more than 2 million foreign visitors have been processed under the US-VISIT entry procedures.

Already US-VISIT has prevented over 195 people from entering the United States—91 were stopped at the overseas visa-issuing post and 60 were identified at the port of entry, all because of a biometric match.

Our border management system impacts the security of our citizens and our visitors, affects billions of dollars in trade and travel and helps define relations with our international partners. There is a need to improve this system and bring it into the 21st century with a new integrated system of technological processes that will keep our country's economic and national security strong. This 21st century technology will provide an important step toward achieving the President's goal of secure U.S. borders.

In just a few months, the first release of US-VISIT has improved the security of our citizens and visitors. It seems clear that visitors appreciate the effort we are making to deliver security while simultaneously facilitating the process for law-abiding, legitimate travelers. US-VISIT is an effective deterrent,[UB1] for its biometric capabilities convince many criminals that they will not be able to hide their true identity.

We must continue to respect our visitors' privacy, treat them fairly, and enable them to pass through inspection quickly so they can enjoy their visit in our country. As people attempt to enter our country, we must know who they are and whether they intend to do us harm, the ability of US-VISIT to rapidly screen applicants' biometrics and biographic information through watch lists and databases means we can have security and control without impeding legitimate travelers, and we can also help protect our welcomed visitors by drastically reducing the possibility of identity theft. Moreover, as visitors leave the country, we must know that they have not overstayed the duration of their visa.

But we are not finished. This is a complicated job that will take time to complete. In fact, US-VISIT is designed to be rolled out in increments to ensure that the foundation is strong and the building blocks are effective. With the deployment of the entry components at air and sea ports, we have made a strong beginning, and going into 2004, we are on track to meet the December 31, 2004 deadline to integrate US-VISIT procedures at the 50 busiest land border ports of entry.

We are seeing that we can accomplish what we set out to do: keep out terrorists, enhance the integrity of our immigration system, facilitate legitimate travel and trade and help protect the privacy and identity of our visitors. To ensure the continued success of this important program, we are working with the National Institute of Science and Technology (NIST) and with the Departments of Justice, and State to enlarge our capability to identify criminals and terrorist prior to issuing a visa or granting entry to the U.S.

#### MOVING TO A "VIRTUAL BORDER" SOLUTION

The vision of US-VISIT is to deploy an end-to-end border management program. This comprehensive view of border management leads to a virtual border. It elevates the requirement to develop the best processes to manage data on foreign nationals. It will provide an information-rich solution that better informs the border management decision makers and improves upon the information available to support the pre-entry, entry, status management, exit, and analysis processes.

Much of the emphasis to date on the entry/exit system has focused specifically on the entry and exit processes at the ports of entry—thus the "port-centric" solution. One of the key initiatives of the US-VISIT Program is to adjust this focus to a "virtual border" solution, placing equal emphasis on the pre-entry, entry, status man-

agement, exit, and analysis processes associated with this Program. The virtual border will enhance national security by matching the identity of foreign nationals, facilitate legitimate trade and travel, and ensure the integrity of our immigration system by improving enforcement. DOS determines eligibility for a U.S. visa based on a review of all relevant information including information on criminal history and possible terrorism activity.

#### THE ENTRY PROCESS WILL USE BIOMETRICS TO MATCH IDENTITY

##### *Pre-Entry*

For millions of visitors, entry into the U.S. must be preceded by the issuance of travel documents at a U.S. embassy or consulate abroad. The purpose of the pre-entry process is to determine eligibility for immigration status and/or visas at DOS consular offices worldwide or DHS immigration Service Centers.

The pre-entry process is a critical component of the US-VISIT virtual border. The consular officers gather a large amount of information prior to a foreign national's arrival at a port. This data will now be made available to appropriate border management agencies. In turn, the US-VISIT Program will provide additional information to the consular officer or Citizenship and Immigration Services adjudicators who are determining a foreign national's eligibility, including a history of entries and exits, photographs, and fingerprints that can be used to search watch lists.

Since the beginning of 2004, the pre-entry process includes analysis of the manifest supplied by the airlines for each international flight to determine the non-immigrant visa holders on board the plane. This is done through the Advanced Passenger Information System or APIS. [UB2] This information is used by the U.S. Customs and Border Protection Officers to identify travelers of concern and pre-position information to support the inspectors at the port.

##### *Entry Process*

The purpose of the entry process is to determine the admissibility of foreign nationals requesting entry into the U.S. at air, land, or sea ports. The entry process can begin at a primary port inspection booth at an air, sea, or land ports, or at a temporary inspection location such as a ship lounge. Foreign nationals can also be inspected at certain pre-inspection locations overseas, such as Shannon Airport in Ireland.

As part of the US-VISIT entry process, foreign nationals will be required to provide biometric data, biographic data, and/or other documentation, which provides for increased accuracy when making an entry/no exit decision.[UB3] This data is used to match identity, determine proper visa classification, and to query the watch list. Inspectors match identity of each foreign national collected by DOS, and determine the visitor's admissibility.

All ports share similarities in inspection processes and inspectors must quickly conduct a primary inspection and determine if the applicant should be recommended for a more in-depth review at the secondary inspection point. The average primary inspection for foreign nationals, lasts approximately one minute.

Although all inspections involve certain basic tasks, there are marked differences between an inspection conducted at an air or sea port and one conducted at a land port because at a land port you have a very different physical environment. Land ports experience:

- A larger volume of inspections.
- Limited or non-existent advance access to data about approaching pedestrians, passengers, or commercial freight. Multiple modes of transportation, including commercial and private vehicles, buses, trains, and pedestrians. This commingling significantly increases the potential for traffic congestion
- A high volume of commercial freight traffic.
- Local commuters as a majority of persons arriving.

To expedite the flow of traffic at land ports, several technologies have been implemented in recent years that are listed below. With implementation of the virtual border, we will be able to match information on each foreign national when presented for inspection, and determine the risk of allowing entry.

- The Secure Electronic Network for Traveler's Rapid Inspection (SENTRI or Dedicated Commuter Lane) program uses an electronic, radio frequency (RF)-based technology to enable dedicated commuter lanes. This expedites the flow of low-risk, frequent border crossers through a port while maintaining the security of our borders. Users are pre-enrolled, and extensive background checks are conducted through a network of law enforcement databases. Each



time a participant enters through the SENTRI lane, the system automatically accesses the database and displays all persons who are authorized to be in the vehicle. This system is vehicle-based rather than passenger-based and relies on transponders for RF transmission

- NEXUS (License Plate Reader) uses the same RF technology as SENTRI and includes a pre-enrollment process to screen applicants and then issues a proximity card that can be read as the car moves past the inspection station. The inspecting officer makes a positive visual identification of each participant based on the picture and personal information on screen. This system is individual passenger-based as opposed to being vehicle-based and uses proximity card technology for transmission of information.

For land borders, we are considering including expanded use of Radio Frequency (RF) technology to expedite processing of frequent border crossers using biographical data as a part of the virtual border solution. Also, we are currently looking at ways to use RF technology to facilitate travel and collect entry and exit data. To that end, we are planning to test RF technology at select primary entry and exit lanes of the 50 busiest land border crossings. These plans are not part of the statutory mandate for December 31, 2004. Regardless, we will work to optimize the use of RF technology at our land ports of entry such that visitors can pass through the inspection point with minimal delay.

#### STATUS MANAGEMENT INCLUDES IDENTIFYING OVERSTAYS

Managing the status of foreign nationals once inside the borders of the U.S. includes, but is not limited to:

- Monitoring the terms of their admission by matching the entry and exit records to determine if any foreign national has overstayed the terms of admission
- Identifying violations in terms of admission
- Referring watch list and visa compliance leads to agencies and organizations responsible for enforcement.

Maintaining the status of foreign nationals while in the United States is an integral part of border management and ensuring the integrity of the immigration system. One of the US-VISIT Program's primary roles in status management will be the overstay calculation, and exchanging appropriate entry and exit information with case management systems, especially those managed by U.S. Citizenship and Immigration Services.

#### THE EXIT PROCESS WILL CAPTURE DEPARTURE INFORMATION

With the implementation of US-VISIT's virtual border, the exit process at air and sea ports will require the visa holder to provide information to match against the information provided upon entry. One exit option currently being piloted captures two fingerprints, and transfers the data to IDENT to match the arrival and departure records. This information is also run against ADIS and IBIS.

This one pilot process-consisting of automated kiosks—is being tested at Baltimore-Washington International Airport and at a Miami Seaport cruise line. US-VISIT will test other departure confirmation alternatives and evaluate all of the options to develop the best exit solution.

Implementation of an exit process at land borders has more complexities and has yet to be determined.

With this virtual border, we will know who left the U.S. through a port of departure and who remains.

#### THE ANALYSIS OF INFORMATION PROCESS WILL USE US-VISIT INFORMATION TO EXTEND THE VIRTUAL BORDER

The purpose of the analysis of information process is to provide information that will aid border management in their decision-making process. Currently, the Arrival/Departure Information System (ADIS) system is the primary data source for use in these analyses.

A visitors' information is stored and routinely updated in the ADIS. Information compiled in ADIS will tell the officer if an individual has complied with the terms of his or her admission. ADIS illustrates a visitor's travel history, information that the U.S. Customs and Border Protection officer can use to make admission determinations. If the history illustrates any immigration violations, the officer would give more scrutiny to the visitor.

As the US-VISIT Program moves into the direction of the virtual border, this process will take on an ever-increasing level of importance. In migrating to the US-VISIT virtual border solution, emphasis will be placed on providing an increased level of information to all border management personnel (e.g., the consular official, the inspector, the adjudicator, and the investigative officer) to aid them in making critical decisions.

#### WE WILL SAFEGUARD THE PERSONAL PRIVACY OF OUR VISITORS

An obvious concern for all legitimate travelers is that criminals will use their lost or stolen travel documents to enter the United States. Biometric identifiers make it difficult for criminals to travel on someone else's travel documents. This is a significant benefit that US-VISIT delivers for the millions of legitimate travelers we welcome each year. In addition, we must continue to respect our visitors' privacy.

Additionally, one of US-VISIT's primary goals is to safeguard the personal information in a way that is responsible and respectful of privacy. US-VISIT will collect personal information of visitors in order to determine immigration admissibility. This information will be used for interactions with U.S. officials during the pre-arrival, arrival, stay and exit from the United States.

We are complying with both the letter and the spirit of the Privacy Act of 1974 and the E-Government Act of 2002. We are developing a comprehensive privacy program that ensures that we use personal information appropriately, that it is protected from misuse and improper disclosure, and destroyed when no longer needed.

And, in spite of the fact that these laws do not require US-VISIT to have a Privacy Impact Assessment (PIA), because a PIA applies to U.S. citizens and lawful permanent residents versus non-immigrants, we have prepared one as we as we believe that all visitors' information should be protected. The PIA is being reviewed by external audiences including several privacy advocacy groups.

Additionally, we have developed a three-step redress process for visitors to have their records reviewed and amended or corrected to ensure accuracy, relevancy, timeliness, or completeness.

This comprehensive privacy program is being spearheaded by DHS's Chief Privacy Officer, Ms. O'Connor Kelly, to ensure that US-VISIT is in compliance with the appropriate privacy rules and regulations. Also, US-VISIT hired its own privacy officer to oversee its program.

We have also done extensive outreach, meeting with numerous advocacy, privacy and immigration groups to solicit input and hear concerns, which have been taken into account in the development of the program.

The US-VISIT PIA was hailed by many in the privacy community as an excellent model of transparency, including detailed information about the program, the technology and the privacy protections.

#### US-VISIT'S VIRTUAL BORDER IMPLEMENTATION SCHEDULE

US-VISIT is being implemented in increments, with the first on December 31 of last year. The other increments will be deployed over the coming years with the ultimate goal of having a robust system that can deliver all of the US-VISIT goals. The steps to this program include:

##### **Increment 1 COMPLETED**

- Collect and verify biometrics for foreign nationals arriving with nonimmigrant visas at air and seaports of entry by 12/31/03
- Check admissibility against watchlists using biographic and biometric data
- Establish exit pilots and complete testing by end of FY 2004 with implementation to occur in FY 2005.

##### **Increment 2A—10/26/04:**

- Issue U.S. biometric travel documents following International Civil Aviation Organization (ICAO) standards
- Deploy capability to read biometric travel documents in compliance with ICAO standards at air and sea ports of entry.

##### **Increment 2B—12/31/04:**

- Extend Increment 1 capability to 50 highest volume land ports

##### **Increment 3—12/31/05:**

- Extend Increment 2B to remaining land ports

#### **Increment 4:**

- Launch initial roll-out of US-VISIT envisioned program

#### US-VISIT'S BUDGET

We deployed US-VISIT on budget and on schedule. During Fiscal Year (FY) 2003 we used appropriated funds of \$367 million to achieve successful deployment to 115 airports and 14 seaports. Specifically we have:

- Implemented/interfaced systems to reduce redundancy and make more information available
- Upgraded our infrastructure to support added biometrics
- Deployed the US-VISIT program to 115 airports and 14 seaports on January 5, 2004
- Initiated the exit pilot at one airport and one seaport
- Established the US-VISIT program office

During FY 2004, we have a total of \$328 million plus an additional \$10 million in no-year funds that we intend to use to continue meeting our goals. Currently, our FY 2004 Expenditure Plan is approved by the U.S. Senate and waiting approval from the U.S. House of Representatives, and when these funds are released we plan to:

- Analyze, field test, and initiate deployment of alternative approaches for verifying identity on exit at air and sea ports of entry
- Implement US-VISIT Increment 1 capabilities at the 50 busiest land border ports of entry by December 2004
- Install biometric readers at all air, sea, and land ports of entry
- Continue building our program management capabilities

In addition, we plan to award a contract to a prime contractor for further development of our end vision. This comprehensive approach to border management will lead to the creation of a virtual border and will set the course for improved processes for management of data on foreign visitors.

#### THE SUCCESS STORIES OF US-VISIT

Since US-VISIT entry procedures were implemented, it has resulted in the interception of dozens of individuals who matched various law enforcement information. These included rapists, drug traffickers, credit card and visa fraud criminals, and a convicted armed robber.

Here are details of a few examples.

##### *1) Interception of Drug Trafficker who escaped from Prison*

On January 14, 2004, at Miami International Airport, a man from Peru was traveling to the U.S. When he arrived at the CBP Officer's booth for admittance, he was enrolled in US-VISIT. His fingerscans matched the ones already in a federal criminal database. This man was wanted by the U.S. Marshals for escaping from LaTuna Federal Correction Facility where he had been serving a sentence for a conviction of dealing cocaine. After his escape, an arrest warrant was issued. In May of 2003 he re-entered the U.S. without incident. Now, with the help of US-VISIT biometric processes, this man was caught and returned to federal prison on the warrant. US-VISIT prevented an escaped convict and drug trafficker from roaming the streets of Miami.

##### *2) Closing a Deportation Loop Hole*

On January 18, 2004, a man who has had four aliases tried to enter the U.S., even with a "failure to appear" warrant for him. DHS/ICE issued the warrant on August 8, 2003, and since then this man had entered the U.S. at least five times. Now, with the ability to match fingerscans with those in a criminal database, this man's luck ran out. He was removed from the U.S. and put on the next flight back to Colombia.

##### *3) Passport Fraud Uncovered*

On January 14, 2004, a British West Indies Airways flight arrived at JFK International Airport in New York carrying a woman from Trinidad. Because US-VISIT begins at the visa-issuing post, a photo of the visitor was on file and

accessible by the Customs and Border Protection Officer, who determined that she had used a false name. In reality, the traveler was a woman who had been arrested in April 2000 in New Orleans and convicted of passport fraud. At that time, the woman was placed on five years' probation and ordered not to enter the U.S. without the attorney general's written permission. The woman, whose husband lives in the U.S., then obtained a passport and U.S. visa by fraud in Trinidad for \$2,000.

*4) Convicted Sexual Offender Identified*

In New York City, on February 19, 2004, a native of Trinidad and Tobago attempted to enter the United States. He was not listed as wanted for any crimes after standard biographic criminal data systems checks, but a biometric check under US-VISIT uncovered a prior conviction for having sex with a minor in 2000, his registration as a convicted sex offender, and a removal from the United States in 2001 as an aggravated felon. He had also lived and worked illegally in the United States. He was placed in expedited removal proceedings.

*5) Rape Suspect Caught*

On February 22, 2004, at Miami International Airport, a man from Jamaica attempted to enter the United States after arriving on an Air Jamaica flight. Biographic and US-VISIT biometric checks alerted officers to an active warrant from New York City for strong armed rape. Criminal history checks also uncovered 3 prior convictions for possession or sale of marijuana in 1994 and 1995, as well as a 1998 rape arrest. He was turned over to Miami-Dade police for extradition to New York.

*A CBP Trainee Rises to the Occasion*

U.S. Customs and Border Protection Officer Trainee Rafal Izycki was working at primary inspection at Chicago O'Hare International Airport. An Albanian national seeking admission into the U.S. appeared before him and presented an Albanian passport. When Inspector Izycki compared the State Department photo image biometric provided by US-VISIT against the biometrics photographs on the passport and visa, he realized that the person in front of him was not the person who had obtained the visa. He immediately referred the Albanian national for a secondary inspection where it was determined that the passport had been photo-substituted and the non-immigrant visa had been altered. The capability to access the State Department biometric photographs of visa applicants provides a powerful tool for inspectors working to protect the U.S.

AN UPDATE ON US-VISIT PROGRAM OFFICE

Secretary Ridge approved the creation of a US-VISIT program office, and positions have been approved to fill the organization and manage the program. The US-VISIT program team consists of representatives from the various components of DHS responsible for border security, including the U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, and the Transportation Security Administration. U.S. Citizenship and Immigration Services is also represented. Other DHS components that assist the US-VISIT team include the Directorate for Management and the Science and Technology Division. In addition, outside DHS, the team consists of representatives from the Departments of Transportation, State, Commerce, Justice, and General Services Administration.

THE CONCLUSION

US-VISIT is critical to our national security as well as our economic security, and its implementation is already making a significant contribution to the efforts of the Department of Homeland Security to provide a safer and more secure America. But US-VISIT and the broader vision of a 'virtual border' cannot be left unfinished. It is the correct program at the right time, not only for the security of our country, but also for the integrity of our immigration system. We will build upon the initial framework and solid foundation to ensure that we continue to meet our goals to enhance the security of our citizens and visitors while facilitating travel for the millions of visitors we welcome each year.

We want to ensure that we continue to be a welcoming nation, a nation that invites visitors to study, do business, and relax in our country. We also owe it to our citizens and visitors to deny entry to persons wishing to do harm, or who are inadmissible to the U.S. Few would dispute that these steps are necessary. These steps will be made easier because of US-VISIT and the information

We are committed to building a program that enhances the integrity of our immigration system by catching the few and expediting the many, and we recognize that

the U.S. is leading the way in helping other countries around the world keep their doors open and their borders secure.

Mr. HOSTETTLER. Very good. Thank you.

[Video shown.]

Mr. HOSTETTLER. Thank you, Mr. Mocny.

The Chair now recognizes Mr. Martinez-Fonts for 5 minutes.

**STATEMENT OF ALFONSO MARTINEZ-FONTS, JR., SPECIAL ASSISTANT TO THE SECRETARY FOR THE PRIVATE SECTOR, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. MARTINEZ-FONTS. Good morning, Chairman Hostettler, Ranking Member Jackson Lee, and other distinguished Members of the Subcommittee. It is both a pleasure and an honor to appear before you today to discuss the Department of Homeland Security's US-VISIT program and how the Private Sector Office works with the US-VISIT program to engage the business community in this critical program.

Under the charter given us by Congress and the President, the Private Sector Office was designed to provide America's business community a direct line of communication to the Department of Homeland Security. With the guidance and assistance of Secretary Ridge and our Department colleagues, the Private Sector Office works directly with individual businesses, trade associations, chambers of commerce, and other professional and non-governmental organizations to share Department information, programs, and partnership opportunities.

As mandated by the law, we are in the process of developing the capability to do economic analysis on the effect the Department's rules and regulations will have on the private sector.

As a provider of goods and services and the creator of tools and technologies that make our lives better, it is the private sector that helps make our Nation more secure. At the same time, it is the private sector that will be affected by many of the actions of the Department such as US-VISIT. Congress and the Administration duly recognize that the private sector plays a critical role in our Nation's ability to prevent, respond, and recover from prospective incidents. Furthermore, all of us here today accept the fact that the private sector is a fundamental partner in the Department's nationwide efforts to secure our homeland. The rewards of the Department's growing relationship with the private sector are evident in the program we are here to discuss today.

From the very beginning of the US-VISIT program, my office and our Department colleagues have worked to engage the private sector, to listen to their comments and to respond to their concerns every step of the way. Since the program began to take shape some months ago, the Department and the private sector have learned a great deal about one another and the challenges and opportunities we both have to contend with as we go about modernizing our borders, harmonizing our systems, and creating a better, faster, and more secure border. The lessons learned from this endeavor are making US-VISIT a better program and will help its future implementation at more ports of entry around the country.

Our efforts in this program have also defined a performance measure by which the Department can assess the engagement,

partnership, and cooperation with the private sector. With them as our partner and the guidance and support of this Committee and Congress, I am confident this success will continue and make our homeland even more secure.

Thank you again for the opportunity to be with you, and I look forward to addressing any questions that you might have.

[The prepared statement of Mr. Martinez-Fonts follows:]

#### PREPARED STATEMENT OF AL MARTINEZ-FONTS

Chairman Hostettler, Ranking Member Jackson Lee and other distinguished Members, it is a pleasure to appear before you today to discuss the Department of Homeland Security's US-VISIT program and how the Private Sector Office works with the US-VISIT Program Office to engage the business community in this critical program.

Under the charter given to us by Congress and the President, the mission of the Private Sector Office is to provide America's business community with a direct line of communication to the Department of Homeland Security. With the guidance and assistance of Secretary Ridge and our Department colleagues, the Private Sector Office works directly with individual businesses, trade associations, and other professional and non-governmental organizations to share information about Department programs and opportunities.

The private sector is a fundamental partner in the Department's nationwide efforts to secure our homeland. The rewards of the Department's growing relationships with the private sector are evident in the program we are here today to discuss.

US-VISIT represents yet another major milestone in enhancing our nation's security and our efforts to reform our borders. It is a significant step towards bringing integrity back to our immigration and border enforcement systems. Perhaps most importantly it represents our government's commitment to leveraging 21st century technology to ensure we have both economic security and national security, because we cannot have one without the other.

As head of the Department of Homeland Security's Private Sector Office, it has been my job to engage all sectors of the business community. It is critical for the voices of the private sector to be heard during all phases of the development and rollout of US-VISIT. Their contributions and input have been essential in helping to ensure the effective deployment of US-VISIT.

It is important to note that the private sector has been an important partner throughout the development and rollout of US-VISIT. As you know, the first increment of US-VISIT was completed on time and on budget, and we thank our partners in the private sector for helping to make this early success a reality. All facets of the aviation community were integral factors as we planned, piloted and launched US-VISIT last year.

My colleagues Mr. Mocny and Mr. Jacksta have shared their thoughts and perspectives on US-VISIT in terms of the breadth and continuity of the security initiative. As the Department's advocate for the private sector, I would like to share with you the three basic roles my Office has played in the formation of US-VISIT. These include: engaging the private sector; listening to their comments; and responding to their concerns.

#### ENGAGING THE PRIVATE SECTOR

There are roughly 25 million businesses in the United States, and in order to reach as many of them as possible, our engagement and outreach strategy has been focused on leveraging our relationships wherever possible. These relationships include the various trade and industry associations who communicate with and educate their members and constituents on relevant business issues. By clustering our outreach into distinct segments, we have been able to communicate the relevant points about US-VISIT to these business groups. Groups such as the US Chamber of Commerce, the National Association of Manufacturers, Business Executives for National Security, the National Federation of Independent Businesses, and the Business Roundtable bring distinct voices and valuable perspective to the Department's efforts but these voices and perspectives are not alone.

Throughout Increment 1 of US-VISIT's development and deployment, private sector members in the transportation, travel and tourism communities were not only impacted the most but had the most to offer in terms of input and feedback. Because this input has been vital to the Program's success, we have focused much of

our outreach on engaging these business groups on an on-going basis. In the months leading up to deployment of Increment 1 capabilities at airports and seaports, the Private Sector Office, in partnership with the US-VISIT Program Office, held frequent conference calls with the airline, airport, seaport and general travel and tourism community to ensure they were kept up-to-date and informed on a variety of aspects. The airlines and airports, in particular, were integral partners as we planned, piloted and launched US-VISIT last year. As you know, Increment 1 was completed on time and on budget, and we thank our partners in the private sector for helping to make this early success a reality.

This focus on engagement continues as we prepare to accomplish the Program's 2004 milestones. Most notable of these is the on-going testing and evaluation of a departure confirmation system at airports and seaports, and the rollout of the US-VISIT capability at the 50 busiest land ports of entry. Our efforts remain focused on engaging the trade and industry groups, mostly through meetings with one or more associations, as well as speaking engagements and panel discussions at town hall forums, conferences and conventions. I know that the US-VISIT Program Office maintains an in-depth database to manage the outreach and track the responses and feedback from hundreds of international organizations, trade groups, non-profit organizations and businesses, and communicates with the hundreds who have opted to receive regular US-VISIT updates through an e-mail newsletter.

#### LISTENING TO THEIR COMMENTS

US-VISIT's early focus on actively engaging the private sector has created enormous opportunities for the Department and the Private Sector Office to hear directly from these most important Program stakeholders. We have heard their concerns about our ability to implement the Program's measures without sacrificing our freedoms or ability to conduct business. One thing I have found in my own personal involvement in this Program is that once accurate information is introduced to address rumors and misperceptions, concerns and fears subside and people once again focus upon our collective need and commitment to securing the borders without slowing the flow of commerce and people.

As a result of our listening to our private sector partners, we have been able to take the first steps at successfully implementing US-VISIT at all of our nation's air and sea ports of entry. This has created the kind of measure we as a Department need to continue to strive for in all of our efforts with the private sector. By communicating our commitment to the private sector and their interests throughout this effort, the Department and US-VISIT have been able to make a significant difference in the way we do business in America. From the US Chamber of Commerce to the airline industry, we have heard from most every sector in the private sector, each of them saying US-VISIT has exceeded their expectations.

While the US-VISIT program has received praise for its execution and operation thus far, we have heard some concerns about the land border implementation. We have also been fielding questions about the departure confirmation system at airports and seaports.

The area with the most concerns by far is along our nation's southwest border. I have been actively engaged in reaching out to these border communities, most notably through key groups such as the Border Trade Alliance. From both personal and professional experience, I understand and empathize with many of the concerns the communities along the border have regarding any effort or program that might impact border operations and activities. My previous professional experiences as both a banker and not-for-profit founder providing job skills training and small business development in El Paso and San Antonio, Texas have helped me to understand and address the economic and personal concerns of the private sector. Furthermore, my experiences in living and working in Mexico for six years have provided additional perspective. Right now, some people in these affected communities are imagining clogged borders and economic disruption. My Office and others in the Department have routinely heard, "Don't slow trade, don't separate families, and don't ruin the border."

We have no intentions of causing any harm to these border communities and take seriously President Bush's and Congress' direction that we implement a land border solution that does not slow the free flow of trade and people across our borders. While we all understand the challenges, it is important that these businesses understand the unwavering commitment of this Department to modernize our borders, harmonize our systems and create a better, faster, more secure border.

DHS has been working closely with the US Department of Transportation as part of its on-going outreach to private sector groups to ensure that we listen to their concerns and apply them to the Program's implementation. For example, integrating

programs like FAST (Free and Secure Trade) with US-VISIT should enable truckers to move their goods across the border faster than they do today.

#### RESPONDING TO PRIVATE SECTOR CONCERNS

Perhaps the most important thing DHS has done to respond to private sector concerns is to engage the brightest minds from the business community to develop the optimum solution for US-VISIT. We heard and acted upon those concerns during the Program's kick-off this year. Rather than start the US-VISIT effort on January 1st at the height of holiday travel, the Program was initiated on January 5, 2004, allowing everyone a degree or two of flexibility.

Thanks to a combination of policy and technology solutions, we are now starting to paint a very new picture of the border, one that includes faster travel without compromising security. In the Private Sector Office's quest to communicate the truth about US-VISIT—at air, sea and land ports of entry—we are seeing that people can now begin to visualize this reality. This reality can only happen through continued and active engagement with the Department's various public and private sector partners. By working together, we can all share with one another our commitment to keeping America's doors open and our nation secure.

As the US-VISIT Program continues to be implemented, the Private Sector Office, in partnership with the Department's and Program's leaders, will continue to identify ways to actively engage the private sector. As our partners in securing our homeland, the private sector should know at all times that the Department hears their voices and believes their opinions matter. As their advocate within the Department, my staff and I have pledged to use every tool available to us to demonstrate to them and to all others our commitment to use 21st century technology and innovation to create a 21st century border. With the guidance and assistance of the Members of this Committee and the Congress I am confident that we will be successful in that effort.

I thank the Members for allowing me to share my comments today and I look forward to addressing any questions that you might have.

Mr. HOSTETTLER. Thank you, Mr. Martinez-Fonts.

Mr. Hite, the Chair recognizes you for 5 minutes.

#### **STATEMENT OF RANDOLPH C. HITE, DIRECTOR, INFORMATION TECHNOLOGY ARCHITECTURE AND SYSTEMS ISSUES, U.S. GENERAL ACCOUNTING OFFICE**

Mr. HITE. Thank you, Mr. Chairman.

As we have previously reported, the immense importance of US-VISIT is undeniable. But as is the importance of US-VISIT, the need to manage it is equally important. With the recent deployment of the first increment, the time is right to examine the program's management, and I commend you for holding this hearing. In addition, I would like to thank Congresswoman Jackson Lee for the invitation to participate today and note that my written statement draws heavily from our two issued reports on US-VISIT.

In addition, I'd note that we have concluded audit work recently for the Appropriations Committees that build on these issued reports, and at their direction my written statement does not include the results of that work. However, they have permitted me to share this information orally.

In summary, my testimony makes two primary points.

Point 1, US-VISIT is a large, complex, expensive program aimed at supporting important missions: border security, privacy protection, immigration, trade and travel. In addition, the program's scope touches multiple agencies, and estimates of its cost through 2004 reach well into the billions of dollars. Just by virtue of what US-VISIT is and is to be, it carries an appreciable level of risk with it.



Point number 2, large, complex, expensive programs and, thus, inherently risky programs, like US-VISIT, should be able to positively answer two basic questions. Question 1, are we doing the right thing? Question 2, are we doing it the right way?

To be the right thing, which is Question 1, a program needs to be justified by sufficient fact-based, verifiable analysis showing that the program, as it is defined, including near-term increments, will produce mission value commensurate with expected costs.

To be done the right way, which is Question 2, a program needs to be executed effectively, which means that it needs to employ the necessary mix of people, processes, and tools to reasonably ensure that promised program capabilities and expected mission value are delivered on time and within budget.

The answer to Question 1—Are we doing the right thing?—is not clear at this juncture. The current plan is to deliver US-VISIT capabilities in four increments, the first three of which are intended to be interim solutions, with the fourth being a more strategic, yet-to-be-defined permanent solution. However, DHS has not yet identified the tangible, measurable benefits that can be expected from the interim solutions, and it has not estimated costs associated with these interim solution.

For large and complex programs that involve developing and implementing many things over many years, it is the best practice to break the program into smaller incremental parts and to economically justify the parts before investing significant resources in each. Without doing so, an organization risks learning too late whether interim solutions were a prudent use of resources.

The answer to Question 2—Are we doing it the right way?—is clear. Unfortunately, the answer is that US-VISIT does not yet have in place and functioning the kind of industrial-strength program management capabilities to include people, processes, and tools that it needs. For instance, program management processes have not been defined, adequate staff have not been put in place to implement, and tools have not been established to support such things as effective acquisition planning, requirements development and management, contract tracking and oversight, test and evaluation management, and configuration management.

The absence of these capabilities was evident on Increment 1 where neither system testing nor the change control aspect of configuration management was effectively managed. For example, Increment 1 test execution preceded the development of test plans, test plans were missing important content, and testing was not finished before Increment 1 began operating.

Our experience in reviewing other large and complex IT programs has shown that over the life of a program, this kind of go, get ready, get set approach ultimately will result in taking more time and money to implement less capability than promised.

Our position is that these two points together paint a picture of a program at risk, and to address these risks, we have made a number of recommendations, examples of which are provided in my written statement, and additional recommendations will be in our soon-to-be-released report to the Appropriations Committees.

To DHS' credit, it has agreed with these recommendations, and it has committed to implementing them. Progress to date has been

slow, and this is troubling because most of these recommendations are aimed at correcting fundamental limitations in the ability to manage the program in a way that reasonably ensures success.

Before concluding, I would be remiss if I did not say that, despite the management challenges that face US-VISIT, the first increment was deployed and is operating largely as planned, and in my view, this is owing to the yeoman efforts of DHS and contractor staff, who deserve credit for their hard work, dedication, and commitment. However, reliance on a people effort alone cannot reasonably ensure program success. Rather, the more tried and proven approach is to take the necessary steps and apply the necessary resources to ensure that US-VISIT's defined increments are the right thing and are done the right way.

This concludes my statement, and I'd be happy to answer any questions you have.

[The prepared statement of Mr. Hite follows:]

#### PREPARED STATEMENT OF RANDOLPH C. HITE

Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to participate in the Subcommittee's hearing on US-VISIT (the United States Visitor and Immigrant Status Indicator Technology), a large, complex program that is intended to achieve a daunting set of goals: it is to enhance homeland security and the integrity of the U.S. immigration system, and at the same time it is to facilitate legitimate border crossing and protect privacy. To achieve these goals, US-VISIT relies on information technology, as well as people, processes, and facilities.

The genesis of US-VISIT was in 1996, when the Congress passed legislation that directed the former Immigration and Naturalization Service (INS) to develop a system to monitor the entry and exit of foreign nationals visiting this country.<sup>1</sup> As a result of this and later related legislative direction,<sup>2</sup> efforts were begun in 2002 to develop the system now known as US-VISIT. Subsequently, INS was merged into the Department of Homeland Security (DHS), which is now responsible for developing and implementing the US-VISIT program.

In the last three appropriations acts governing the development and implementation of US-VISIT,<sup>3</sup> the Congress prohibited the INS, and later DHS, from obligating funds until the agency submitted to the Senate and House Committees on Appropriations expenditure plans that met several conditions, including being reviewed by GAO. We have accordingly issued two reports on US-VISIT<sup>4</sup> and will shortly be issuing a third to the appropriations committees. All three reports were based on work performed in accordance with generally accepted government auditing standards. My testimony today is based on our two published reports and on more current public information on the program since the reports were issued.

#### RESULTS IN BRIEF

The overall message of our testimony today is that the US-VISIT program is risky, both because of the type of program it is and because of the way it is being managed. US-VISIT is a large, complex, and expensive program aimed at supporting a multifaceted mission-critical area; thus, it is an intrinsically challenging effort.

<sup>1</sup>Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Pub. L. 104-208 (Sept. 30, 1996).

<sup>2</sup>Immigration and Naturalization Service Data Management Improvement Act of 2000, Pub. L. 106-215 (June 15, 2000); Visa Waiver Permanent Program Act, Pub. L. 106-396 (Oct. 30, 2000). USA PATRIOT Act, Pub. L. 107-56 (Oct. 26, 2001); Aviation and Transportation Security Act, Pub. L. 107-71 (Nov. 19, 2001); Enhanced Border Security and Visa Entry Reform Act of 2002, Pub. L. 107-173 (May 14, 2002).

<sup>3</sup>2002 Supplemental Appropriations Act for Further Recovery from and Response to Terrorist Attacks on the United States, Pub. L. 107-206 (Aug. 2, 2002); Consolidated Appropriations Resolution, 2003, Pub. L. 108-7 (Feb. 20, 2003); Department of Homeland Security Appropriations Act, 2004, Pub. L. 108-90 (Oct. 1, 2003).

<sup>4</sup>U.S. General Accounting Office, *Homeland Security: Risks Facing Key Border and Transportation Security Program Need to Be Addressed*, GAO-03-1083 (Washington, D.C.: Sept. 19, 2003); *Information Technology: Homeland Security Needs to Improve Entry Exit System Expenditure Planning*, GAO-03-563 (Washington, D.C.: June 9, 2003).

Several aspects of the program increase the risk that it will not meet its goals or its cost, schedule, and performance commitments:

- *Multifaceted, critical mission.* The program aims to prevent the entry of persons who pose a threat to the United States. Besides this critical security mission, the program also aims to achieve law enforcement goals regarding visa violations, while facilitating legitimate trade and travel and adhering to U.S. privacy laws and policies.
- *Large and complex scope.* Controlling the pre-entry, entry, status, and exit of millions of travelers is a large and complex process.
- *Challenging milestones.* Progress and current status of the program make it difficult to satisfy legislatively mandated milestones: for example, that US-VISIT be implemented at all ports of entry by December 31, 2005.<sup>5</sup>
- *Significant potential cost.* In February 2003, DHS estimated that the program would cost \$7.2 billion through fiscal year 2014, but this estimate did not include all costs and underestimated some others.

Additionally, several factors related to the program's management increase the risk of not achieving program goals or not delivering program capabilities on time and within budget. Our imminent report for the appropriations committees will discuss each of these factors, including why each is still an area of risk. Examples of the factors that we have reported on are as follows:

- *Problems with existing systems.* The program is to rely initially on existing systems with reported problems that could limit US-VISIT performance.
- *Program management capability.* The program office was not adequately staffed, roles and responsibilities had not been clearly defined, and acquisition management processes were not yet established.
- *Near-term facilities solutions.* Interim facility planning for high-volume land ports of entry must satisfy requirements that are both demanding and based on assumptions that, if altered, could significantly affect facility plans.
- *Mission value of increments.* The benefits versus costs were not yet known of the interim versions (or increments) of the program that are being implemented while the final version is being developed.

Our experience in reviewing large, complex, information-technology-dependent programs in other federal agencies has shown that such program management weaknesses typically result in these programs falling short of expectations. Accordingly, we have made several recommendations regarding the US-VISIT program to address these weaknesses and risks.

#### BACKGROUND

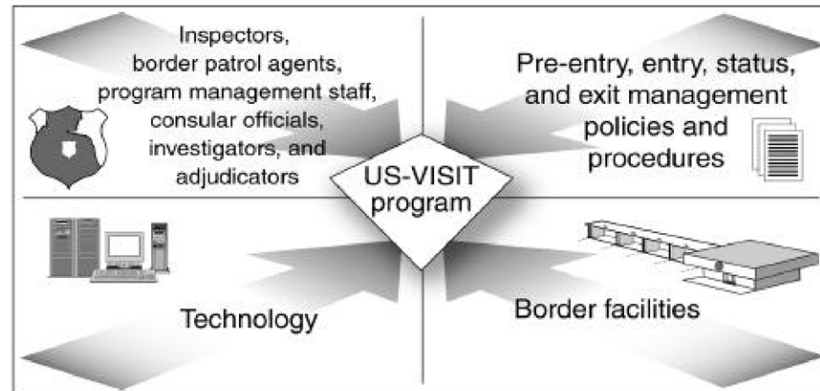
The US-VISIT program is a governmentwide endeavor intended to enhance national security, facilitate legitimate trade and travel, contribute to the integrity of the U.S. immigration system, and adhere to U.S. privacy laws and policies by

- collecting, maintaining, and sharing information on certain foreign nationals who enter and exit the United States;
- identifying foreign nationals who (1) have overstayed or violated the terms of their visit; (2) can receive, extend, or adjust their immigration status; or (3) should be apprehended or detained by law enforcement officials;
- detecting fraudulent travel documents, verifying traveler identity, and determining traveler admissibility through the use of biometrics; and
- facilitating information sharing and coordination within the border management community.

The program involves interdependencies among people, processes, technology, and facilities, as shown in Figure 1.

<sup>5</sup>Immigration and Naturalization Service Data Management Improvement Act, 2000, Pub. L. 106–215 (June 15, 2000).

**Figure 1: People, Processes, Technology, and Facilities Involved in US-VISIT**



Sources: GAO (analysis), Nova Development Corp. (images).

Note: GAO analysis based on DHS data.

Within DHS, organizational responsibility for the US-VISIT program lies with the Border and Transportation Security Directorate. In July 2003, DHS established a US-VISIT program office with responsibility for managing the acquisition, deployment, operation, and sustainment of the US-VISIT system and supporting people (e.g., inspectors), processes (e.g., entry exit policies and procedures), and facilities (e.g., inspection booths).

DHS plans to deliver US-VISIT capability incrementally. Currently, it has defined four increments, with Increments 1 through 3 being interim or temporary solutions, and Increment 4 being the yet-to-be-defined end vision for US-VISIT. Increments 1 through 3 include the interfacing and enhancement of existing system capabilities and the deployment of these capabilities to air, sea, and land ports of entry (POE).

1. The first increment includes the electronic collection and matching of biographic and biometric information at all major air and some sea POEs for selected foreign travelers with non-immigrant visas.<sup>6</sup> Increment 1 entry capability was deployed to 115 airports and 14 seaports on January 5, 2004. Increment 1 exit capability was deployed as a pilot to two POEs on January 5, 2004—one airport and one seaport.<sup>7</sup>
2. The second increment is divided into two parts—2A and 2B. Increment 2A is to include the capability to process machine-readable visas and other travel and entry documents that use biometric identifiers at all POEs. This increment is to be implemented by October 26, 2004. Increment 2B is to expand the Increment 1 solution for *entry* to secondary inspection<sup>8</sup> at the 50 highest volume land POEs by December 31, 2004. According to the US-VISIT Request for Proposal (RFP),<sup>9</sup> 2B is also to include radio frequency (RF)<sup>10</sup> capability at the 50 busiest land POEs for both *entry* and *exit* processes.

<sup>6</sup>Classes of travelers that are not subject to US-VISIT are foreign nationals admitted on A-1, A-2, C-3 (except for attendants, servants, or personal employees of accredited officials), G-1, G-2, G-3, G-4, NATO-1, NATO-2, NATO-3, NATO-4, NATO-5, or NATO-6 visas, unless the Secretary of State and the Secretary of Homeland Security jointly determine that a class of such aliens should be subject to the rule; children under the age of 14; and persons over the age of 79.

<sup>7</sup>The Miami Royal Caribbean seaport and the Baltimore/Washington International Airport.

<sup>8</sup>Secondary inspection is used for more detailed inspections that may include checking more databases, conducting more intensive interviews of the individual, or both.

<sup>9</sup>In November 2003, DHS issued as planned a Request for Proposal (RFP) for a prime contractor for US-VISIT work beyond Increment 2A.

<sup>10</sup>RF technology would require proximity cards and card readers. RF readers read the information contained on the card when the card is passed near the reader, and could be used to verify the identity of the card holder.

3. Increment 3 is to expand the 2B capability to the remaining 115 land POEs. It is to be implemented by December 31, 2005.
4. Increment 4 is the yet-to-be-defined end vision of US-VISIT, which will likely consist of a series of capability releases.

DHS plans to award a single, indefinite-delivery/indefinite-quantity<sup>11</sup> contract to a prime contractor for integrating existing and new business processes and technologies. DHS plans to award the contract by May 2004. According to the RFP, the prime contractor's scope of work is to include, but is not limited to, Increments 2B, 3, and 4.

#### US-VISIT IS INHERENTLY RISKY

By definition, US-VISIT is a risky undertaking because it is to perform a critical mission, its scope is large and complex, it must meet a demanding implementation schedule, and its potential cost is enormous.

#### *Program Supports Multifaceted, Critical Mission*

In announcing the US-VISIT system, the DHS Under Secretary for Border and Transportation Security stated that the system's goal is to "give America a 21st Century 'smart border'—one that speeds through legitimate trade and travel, but stops terrorists in their tracks." Achieving these goals is daunting: the United States shares over 7,500 miles of land border with Canada and Mexico, and it has approximately 95,000 miles of shoreline and navigable waterways to protect. In fiscal year 2002, there were about 279 million inspections of foreign nationals at U.S. POEs. In these circumstances, preventing the entry of persons who pose a threat to the United States cannot be guaranteed, and the missed entry of just one can have severe consequences. Relatedly, US-VISIT is to achieve the important law enforcement goal of identifying those among these millions of visitors each year who overstay or otherwise violate the terms of their visas.

Complicating achievement of these security and law enforcement goals are other key US-VISIT goals: facilitating the movement of legitimate trade and travel through the POEs and providing for enforcement of U.S. privacy laws and regulations.

#### *Scope Is Large and Complex*

US-VISIT is to provide for the interfacing of a number of existing systems. It is also to support and refine a large and complex governmentwide process involving multiple departments and agencies. This process involves the pre-entry, entry, status, and exit of hundreds of millions of foreign national travelers to and from the United States at over 300 air, sea, and land POEs.

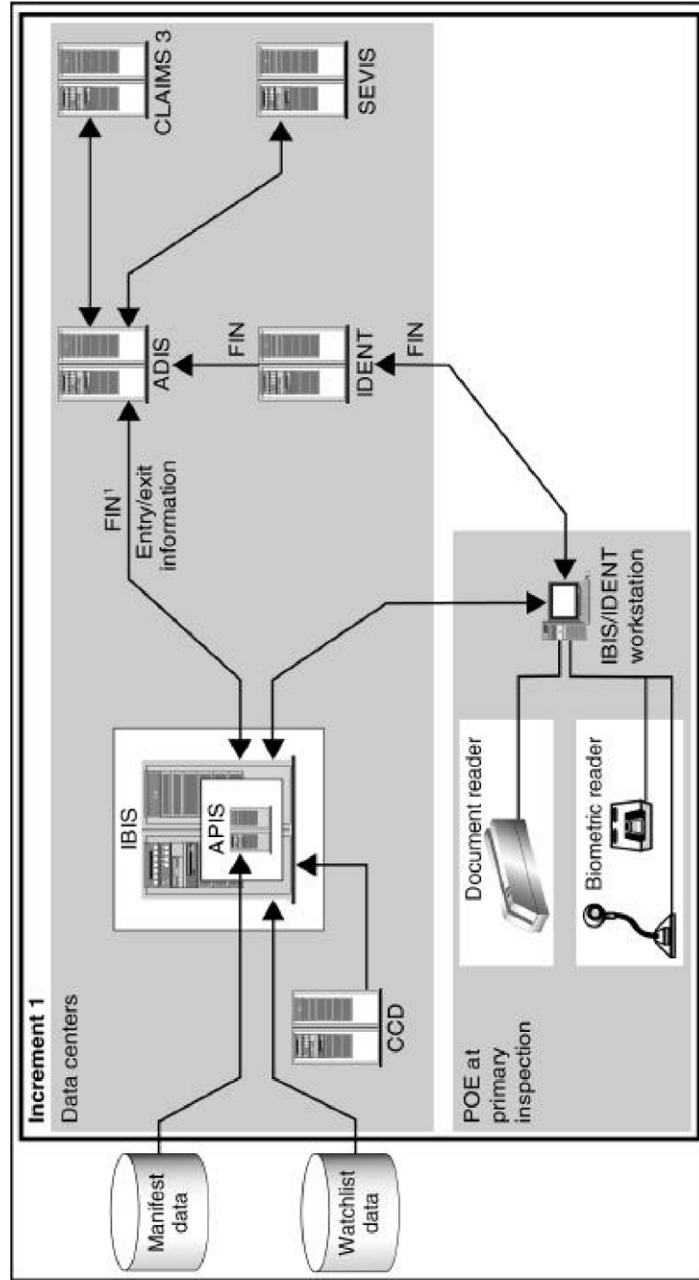
The interfaced systems included in Increment 1 are

- Arrival Departure Information System (ADIS), a database that stores traveler arrival and departure data received from air and sea carrier manifests and that provides query and reporting functions;
- Advance Passenger Information System (APIS), a system that captures arrival and departure manifest information provided by air and sea carriers;
- Interagency Border Inspection System (IBIS), a system that maintains look-out data, interfaces with other agencies' databases, and is currently used by inspectors at POEs to verify traveler information and modify data;
- Automated Biometric Identification System (IDENT), a system that collects and stores biometric data about foreign visitors;
- Student Exchange Visitor Information System (SEVIS), a system that contains information on foreign students;
- Computer Linked Application Information Management System (CLAIMS 3), a system that contains information on foreign nationals who request benefits, such as change of status or extension of stay; and
- Consular Consolidated Database (CCD), a system that includes information on whether a visa applicant has previously applied for a visa or currently has a valid U.S. visa.

Figure 2 shows these systems and their relationships.

<sup>11</sup> An indefinite-delivery/indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period of time. The government schedules deliveries or performance by placing orders with the contractor.

Figure 2: Simplified Diagram of US-VISIT Increment 1 Component Systems and Relationships



In addition to integrating numerous systems, US-VISIT also involves complex processes governing the stages of a traveler's visit to the United States: pre-entry, entry, status management, and exit. These processes for Increment 1 are as follows:

*Pre-entry process.* Pre-entry processing begins with initial petitions for visas. When the Department of State issues the travel documentation, biographic (and in some cases biometric) data are collected and made available to border management agencies. The biometric data are transmitted from State to DHS, where the prints are run against the US-VISIT IDENT biometric database to verify identity and to check the biometric watchlist. The results of the biometric check are transmitted back to State.

Commercial air and sea carriers are required by law to transmit crew and passenger manifests to appropriate immigration officers before arriving in the United States.<sup>12</sup> These manifests are transmitted through APIS. The APIS lists are run against the biographic lookout system and identify those arrivals who have biometric data available. In addition, POEs review the APIS list in order to identify foreign nationals who need to be scrutinized more closely.

*Entry process.* When a foreign national arrives at a POE's primary inspection booth, biographic information, such as name and date of birth, is displayed on the bottom half of a computer workstation screen, along with a photograph obtained from State's CCD. The inspector at the booth scans the foreign national's fingerprints (left and right index fingers) and takes a digital photograph. This information is forwarded to the IDENT database, where it is checked against stored fingerprints in the IDENT lookout database. If the foreign national's fingerprints are already in IDENT, the system performs a match (a comparison of the fingerprint taken during the primary inspection to the one on file) to confirm that the person submitting the fingerprints is the person on file. During this process, the inspector also questions the foreign national about the purpose of his or her travel and length of stay.

*Status management process.* The status management process manages the foreign national's temporary presence in the United States, including the adjudication of benefits applications and investigations into possible violations of immigration regulations. ADIS matches entry and exit manifest data to ensure that each record showing a foreign national entering the United States is matched with a record showing the foreign national exiting the United States. ADIS receives status information from CLAIMS 3 and SEVIS on foreign nationals.

*Exit process.* The exit process includes the carriers' submission of electronic manifest data to IBIS/APIS. This biographic information is passed to ADIS, where it is matched against entry information. At the two POEs where the exit pilot is being conducted, foreign nationals use a self-serve kiosk where they are prompted to scan their travel documentation and provide their fingerprints (right and left index fingers). This departure record is then stored in ADIS (along with the person's arrival record) and used to verify if a foreign national has complied with the admission terms of his or her visa.

#### *Milestones Are Challenging*

Key US-VISIT milestones are legislatively mandated. For example, the Immigration and Naturalization Service Data Management Improvement Act of 2000<sup>13</sup> requires that US-VISIT be implemented at all air and sea POEs by December 31, 2003; at the 50 highest volume land POEs by December 31, 2004; and at all remaining POEs by December 31, 2005.

Because of limited progress during the 7 years following the legislation that originated the entry exit system requirement, DHS acknowledged that it could not complete permanent solutions in these time frames, and thus it planned to implement interim (temporary) solutions. For example, Increments 1 through 3 include the interfacing of existing systems and the design and construction of interim facilities at land POEs. Further, DHS officials have stated that it will be difficult to develop and implement even the interim solutions at some of the highest volume land POEs (such as San Ysidro, California; Otay Mesa, California; and Laredo, Texas) by December 31, 2004, because even minor changes in the inspection time can greatly affect the average wait time at these high-volume POEs. Moreover, achievement of interim solutions is based on assumptions that, if changed, could significantly affect facility and staffing plans.

<sup>12</sup> Enhanced Border Security and Visa Entry Reform Act of 2002, Pub. L. 107-173 (May 14, 2002).

<sup>13</sup> Pub. L. 106-215 (June 15, 2000).

*Potential Cost Is Significant*

Despite DHS's estimate in February 2003, that the total overall cost of the US-VISIT program would be about \$7.2 billion through fiscal year 2014, the potential governmentwide cost of US-VISIT over just a 10-year period could be about twice as much. Although the DHS estimate included a wide range of costs, it omitted some costs and may have understated others. The estimate included

- system investment costs, such as information technology hardware and communications infrastructure, software enhancements, and interfaces;
- the cost of facilities and additional inspectors;
- system and facilities operation and maintenance costs;
- the cost of planning, designing, and constructing permanent facilities, which according to DHS was about \$2.9 billion<sup>14</sup> (this estimate was based on the assumptions that (1) no additional traffic lanes would be required to support the entry processes and (2) exit facilities would mirror entry facilities—i.e., that a land POE with 10 entry traffic lanes would require 10 exit traffic lanes);
- costs to design and construct building space to house additional computer equipment and inspectors; and
- costs for highway reconfiguration at land POEs.

However, the estimate did not include the costs to design and construct interim facilities at land POEs. DHS officials estimated that the cost of constructing the interim facilities at the 50 highest volume POEs was about \$218 million. Moreover, the estimate is based on assumptions that, if changed, could significantly affect, for example, land POE facility and staffing needs.

Finally, although the estimate did include the cost of implementing biometrics, these costs are understated, because they did not include, for example, State Department costs. Specifically, in November 2002,<sup>15</sup> we reported that a rough order of magnitude estimate of the cost to implement visas with biometrics would be between \$1.3 billion and \$2.9 billion initially and between \$0.7 and \$1.5 billion annually thereafter. This estimate is based on certain assumptions, including that all current visa-issuing embassies and consulates will be equipped to collect biometrics from visa applicants. Assuming that biometrics are implemented by December 2004, this means that the recurring cost of having biometric visas through DHS's fiscal year 2014 life cycle period would be between \$7 and \$15 billion. In contrast, DHS's estimate for the entire program through fiscal year 2014 was about \$7.2 billion.

#### MANAGEMENT OF US-VISIT SYSTEM ACQUISITION

Compounding the risk factors inherent in the scale and significance of the US-VISIT program are a number of others that can be attributed to its state of management and its acquisition approach. As described in our September 2003 report on US-VISIT, these include relying on existing systems to provide the foundation for the first three program increments (and thus having to accept the performance limitations of these existing systems), not having mature program management capabilities, not having fully defined near-term facilities solutions, and not knowing the mission value that is to be derived from US-VISIT increments. Our recently completed audit work for the appropriations committees addressed each of these factors, which our next report will discuss, including why each is still an area of risk.

*Problems with Existing Systems*

The system performance of the interim releases of US-VISIT (Increments 1, 2, and 3) will depend largely on the performance of the existing systems that are to be interfaced to create the overall system. Thus, US-VISIT system availability and associated downtime, for example, will be constrained by the availability of the interfaced systems. In this regard, some of the existing systems have had availability and reliability problems that could limit US-VISIT performance. Two examples are SEVIS and CLAIMS 3.

Problems have been identified with the availability and reliability of SEVIS, the system designed to manage and monitor foreign students in the United States. For

<sup>14</sup>The \$2.9 billion is a parametric cost estimate. Parametric cost estimating is a technique used in the planning, budgeting, and conceptual stages of projects. This technique expedites the development of order of magnitude benchmark estimates when discrete estimating techniques are not possible or would require inordinate amounts of time and resources to produce similar results. Estimates such as this can vary  $\pm 30$  to 50 percent.

<sup>15</sup>U.S. General Accounting Office, Technology Assessment: Using Biometrics for Border Security, GAO-03-174 (Washington, D.C.: Nov. 15, 2002).



example, in April 2003, the Justice Inspector General reported that many users had difficulty logging on to the system, and that as the volume of users grew, the system became increasingly sluggish.<sup>16</sup> According to other reports, university representatives complained that it was taking hours to log on to the system and to enter a single record, or worse, that the system accepted the record and later deleted it. We are required to report to the House and Senate Appropriations Committees by April 1, 2004, on SEVIS performance, among other things.<sup>17</sup>

We also reported in May 2001<sup>18</sup> that CLAIMS 3 was unreliable. This system contains information on foreign nationals who request benefits and is used to process benefit applications other than naturalization. Specifically, we reported that INS officials stated that the system was frequently unavailable and did not always update and store important case data when field offices transferred data from the local system to the mainframe computer.

#### *Program Management Capability*

Our experience with major modernization programs, like US-VISIT, shows that they should be managed formally, which includes establishing a program office that (1) is adequately staffed (both in numbers and skill levels), (2) has clearly defined its staff's roles and responsibilities, and (3) is supported by rigorous and disciplined acquisition management processes.

DHS established a US-VISIT program office in June 2003<sup>19</sup> and determined that this office's staffing needs were, in all, 115 government and 117 contractor personnel to perform key acquisition management functions. These functions fall into categories described by the Software Engineering Institute's Software Acquisition Capability Maturity Model (SA-CMM®),<sup>20</sup> which defines a suite of key acquisition process areas that are necessary for rigorous and disciplined management of a system acquisition program. These process areas include acquisition planning, requirements development and management, project management, solicitation, contract tracking and oversight, evaluation, and transition to support.

Our latest report stated that the US-VISIT program's staffing levels were far below its stated needs. Moreover, specific roles and responsibilities had not been defined beyond general statements. Further, the program had not yet defined plans and associated time frames for achieving needed staffing levels and defining roles, responsibilities, and relationships. According to the Program Director, positions were being filled with detailees from various DHS component organizations.

Additionally, although the approved program office structure provided for positions to perform the SA-CMM® key process areas (including acquisition planning, requirements development and management, project management, and contract tracking and oversight), none of the process areas were defined and implemented. Until they are, the program office must rely on the knowledge and skills of its existing staff to execute these important acquisition functions.

According to the Program Director, needed program staffing and key process areas were not in place because the program was just getting off the ground, and it would take considerable time to establish a fully functioning and mature program management capability. Until the program office is adequately staffed, positional roles and responsibilities are clearly defined and understood, and rigorous and disciplined acquisition process controls are defined, understood, and followed, DHS's efforts to acquire, deploy, operate, and maintain system capabilities will be at risk of not producing promised performance levels, functionality, and associated benefits on time and within budget.

#### *Near-Term Facilities Solutions*

Work by the Data Management Improvement Act Task Force has shown that existing facilities do not adequately support the current entry exit process at land POEs. In particular, more than 100 land POEs have less than 50 percent of the required capacity to support current inspection processes and traffic levels.<sup>21</sup> As a re-

<sup>16</sup> Statement of Glenn A. Fine, Inspector General, U.S. Department of Justice, "Implementation of the Student and Exchange Visitor Information System (SEVIS)" (Apr. 2, 2003).

<sup>17</sup> H.R. Conf. Rep. No. 108-280, at 32 (2003).

<sup>18</sup> U.S. General Accounting Office, *Immigration Benefits: Several Factors Impede Timeliness of Application Processing*, GAO-01-488 (Washington, D.C.: May 4, 2001).

<sup>19</sup> The predecessor program office for the entry exit program was established within the former INS in March 2002.

<sup>20</sup> Carnegie Mellon Software Engineering Institute, *Software Acquisition Capability Maturity Model*, Version 1.03 (March 2002).

<sup>21</sup> Data Management Improvement Act Task Force, *First Annual Report to Congress* (Washington, D.C.: December 2002).

sult, as part of US-VISIT (Increment 2), DHS plans to construct interim facilities at about 40 of the 50 highest volume land POEs by December 31, 2004, and construct interim facilities at the remaining portion of these 50 POEs by February 2005.

According to DHS officials, the department plans to design and construct interim facilities to (1) support the US-VISIT inspection process, technology, and staff requirements and (2) meet current traffic wait time requirements at each land POE. To plan for the design and construction of interim facilities that meet these requirements, DHS modeled various inspection process and facilities scenarios to define what inspection process to follow and what interim facilities to construct. The modeling was based on two key assumptions: (1) the current staffing level and (2) the current number of inspection booths staffed for each POE. According to preliminary DHS modeling exercises, small incremental increases in average inspection times at some high-volume land POEs could significantly increase average wait times. Moreover, any changes to decisions about which foreign travelers are subject to US-VISIT could significantly affect these assumptions and thus near-term facility requirements.

#### *Mission Value of Increments*

OMB Circular Number A-11, part 7, requires that investments in major systems be implemented incrementally, with each increment delivering tangible and measurable benefits. Incremental investment involves justifying investment in each increment on the basis of benefits, costs, and risks. Although DHS is pursuing US-VISIT incrementally, it has not defined incremental costs and benefits to justify its proposed investments in each increment.

In the case of Increment 1, DHS' 2003 expenditure plan stated that this increment would provide "immediate benefits," but it did not describe them. Instead, it described capabilities to be provided, such as the ability to determine whether a foreign national should be admitted and to perform checks against watch lists. It did not describe in meaningful terms the benefits that are to result from implementation of these capabilities (e.g., X percent reduction in inspection times or Y percent reduction in false positive matches against watch lists).

Also, DHS did not identify the estimated cost of Increment 1. The Program Director told us that the \$375 million requested in the 2003 plan included not only all the funding required for Increment 1, but also funding for later increments. However, the plan did not separate the funds by increment, and program officials did not provide this information.

While DHS developed a benefits and cost analysis for the former entry exit program in February 2003, this analysis had limitations, such as an absence of meaningful benefit descriptions. Program officials acknowledged that this analysis is out of date and is not reflective of current US-VISIT plans. According to these officials, an updated analysis will be issued in the very near future.

Without a reliable understanding of whether near-term increments will produce mission value justifying its costs and whether known risks can be effectively mitigated, DHS is investing in and implementing near-term solutions that have not been adequately justified.

To the credit of the hard-working and dedicated staff working on the program, an initial US-VISIT operating capability was deployed to major air and selected sea POEs at the beginning of this year. However, the US-VISIT program still faces the risk factors described in this testimony, each of which will be discussed in our soon to be released report. To address these risk factors, our published reports presented several recommendations regarding the US-VISIT program, including

- ensure that future expenditure plans fully disclose US-VISIT system capabilities, schedule, cost, and benefits to be delivered;
- determine whether proposed US-VISIT increments will produce mission value commensurate with costs and risks;
- define performance standards for each increment that are measurable and reflect the limitations imposed by relying on existing systems;
- develop a risk management plan and regularly report all high risks;
- develop and implement a plan for satisfying key acquisition management controls and implement these in accordance with Software Engineering Institute guidance;
- ensure that human capital and financial resources are provided to establish a fully functional and effective US-VISIT program office;
- define program office positions, roles, and responsibilities; and

- develop and implement a human capital strategy for the program office that provides for staffing positions with individuals who have the appropriate knowledge, skills, and abilities.

Unless DHS addresses the risk factors described in this testimony, successful deployment of US-VISIT increments is doubtful, because achieving success will depend too much on heroic efforts by the people involved, rather than being the predictable outcome of sound investment and acquisition management capabilities.

Mr. Chairman, this concludes our statement. We would be happy to answer any questions that you or members of the committee may have at this time.

#### CONTACTS AND ACKNOWLEDGEMENT

If you should have any questions about this testimony, please contact Randolph C. Hite at (202) 512-3870 or [hiter@gao.gov](mailto:hiter@gao.gov). Other major contributors to this testimony included Barbara Collier, Deborah Davis, Tamra Goldstein, David Hinchman, and Jessica Waselkow.

Mr. HOSTETTLER. Thank you, Mr. Hite.

Before I turn to the Ranking Member for her opening statement, I would just like to make a point to the gentleman from the Administration. We did not receive testimony, this Subcommittee did not receive testimony until 6 p.m. last night, well under the 24-hour deadline that we require. We understand that while you folks have your testimony available long before that, it was at OMB for an extended period of time. We would just appreciate it if you could take back the message with you that it's very difficult for us to prepare for such an important hearing without an understanding of what's going to be discussed at this hearing. We thank you very much.

At this time I would like to turn to the Ranking Member, Ms. Jackson Lee, for an opening statement.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman, and might I join in your commentary dealing with the receipt, the timely receipt of testimony, and indicate that, you being very kind, I think, in terms of his remarks, I have seen some instances in this Committee where a witness was not allowed to testify. So I want to associate with both the approach that the Chairman took and, as well, the admonition of making sure that we have these materials in a timely basis.

However, let me express my appreciation for all of the witnesses. I am in the midst of three Committee hearings at this very moment, and I thank you for your indulgence. I may be yielding to my distinguished colleague from California if I am having to depart.

But, Mr. Chairman, let me briefly say that I've had the privilege and the challenge of seeing in action the prototype of the US-VISIT and then actually seeing and standing while the system was being utilized both at Miami International Airport as part of the Homeland Security CODEL, trying to determine how it was affected—being effective, rather, and also at the Houston Intercontinental Airport.

My first comment is to compliment the employees and those who are utilizing the system because I believe, Mr. Hite, we are not suggesting, as both of us are raising some questions, that we believe that the employees that are utilizing the system are not doing the very best that they can. So I have—I think that the training seems to be moving along and also the effort of accommodating the individuals who have to utilize it. And so I want to go on record with respect to that, and for those employees that may be listening

and within the sound of my voice, I would welcome any commentary from the field, because I have spent time in the field all over the United States, to be able to suggest to me otherwise or what they might additionally need.

Let me just note that US-VISIT was launched at 115 airports and 14 seaports on January 5, 2004. The stated objective for US-VISIT is to enhance the Nation's security while facilitating the legitimate travel and trade through our borders. The security measures employed by this program begin overseas at the U.S. consul offices that issue visas. Digital fingerscans are taken at these offices and used to determine whether the applicant is on a database of known or suspected criminals or terrorists.

When a foreign visitor with a visa reaches our border and seeks admission to the United States, the fingerscans are used to verify that the person seeking admission is the same person who received the visa, and another check is made for information about any involvement in terrorism or crime.

I have heard positive things about the way the entry inspection part of the program is being implemented at airports, but the exit part of the program has not been developed fully yet. The real test, however, will be implementing the program at the land ports of entry.

In FY 2003, 79 percent of all travelers seeking entry into the United States entered at a land port of entry. Land ports of entry are more problematic for US-VISIT, which includes the southern border as well as the northern border, than airports for a number of reasons. Traffic at these crossings consists of varying combinations of cars, pedestrians, bicycles, trucks, buses, and rail. And for any of you who have not been in particular or specifically to the southern border, I invite you to do so. It is an interesting challenge.

Moreover, land ports pose difficult challenges to the creation of an automatic alien tracking system due to their location, infrastructure, geography, and traffic volume, which can vary extensively among ports of entry.

And might I say, in citing the northern and southern border, the issue with that is that we have friends coming over the border as well as we may have those who wish to do us ill. It is difficult with the US-VISIT process to balance the friends versus those who may do us harm.

Congress has mandated that an automatic entry program be implemented at the 50 busiest land ports of entry by December 31, 2004, all land ports of entry by December 31, 2005. I am particularly concerned with the viability of implementing the exit check piece of the program. I am also wondering about the additional need for staff. The ability to analyze the data at the existing facilities at land points may already be inadequate. According to a study performed by Data Management Improvement Act Task Force, more than a hundred of the land ports of entry have less than 50 percent of the required capacity to support current inspection processes and traffic. And apparently DHS plans to address this problem by constructing interim facilities at 50 of the ports.

I've asked the General Accounting Office to provide a witness to this hearing to discuss these and other problems. Mr. Hite, the GAO Director of Information Technology Architecture and Systems,

will tell us about a report issued by the GAO on September 2003 which describes the most significant challenges to implementing US-VISIT. According to this report, which Director Hite will update today, the scope of US-VISIT is large and complex. It must meet a demanding implementation schedule, and its potential cost is enormous. The report indicates that many of the difficulties are inherent to the program and cannot be easily changed, but others are attributable to an inadequate state of governance and management. The report casts doubt on whether US-VISIT will be able to measurably and appreciably achieve the Homeland Security Department's goal of enhancing national security while facilitating legitimate travel and trade.

Even if the Department of Homeland Security is successful in implementing US-VISIT, the program may not make our country more secure in any significant way. In 1998, a Senate Judiciary Committee report found that implementing an automatic entry visit and control system has absolutely nothing to do with countering drug trafficking, with halting the entry of terrorists into the United States, or with any other illegal activity.

I'm willing to remain open, even with that report, because we had since that time 9/11. But I think it is truly important, keenly important, that as we represent to the American people that we're working to secure the homeland, that we truly have a grasp of how best to do it and how to be effective and efficient.

I close by simply saying we know that the securest homeland is to keep the terrorists out before they even enter into our borders. The question is how best to do it, and that is the responsibility of this Committee.

I thank the distinguished Chairman, and I yield back my time.

Mr. HOSTETTLER. I thank the gentlelady. The Chair will now entertain questions.

First of all, Mr. Jacksta, as you know, 1 week ago there was a horrible terrorist bombing in Madrid. The apprehended suspects, all of them were not native Spaniards. Can you tell us whether these aliens would have been able to enter the U.S. had they attempted to?

Mr. JACKSTA. Sir, if we had information that was available to the U.S. Government, we would have been able to stop them at the border. The reason why we'd be able to do that is that we would have received the information regarding the individuals who would be on a plane. At the time that they were on that plane, we would have done our checks, and we would have had the plane met at the time that they arrived in the United States and had our inspectors, our anti-terrorism rovers up there and would have met the individuals, and at that time take appropriate action to address the issue.

So addressing your question, if the information is available to the U.S. Government, we put it into our databases. The sharing of information that we currently have in place would allow us to identify these individuals and stop them from entering the United States.

Mr. HOSTETTLER. Very good. I understand the visa waiver countries can pass through inspections without going through US-VISIT. Would this have been the case for Richard Reid, who I un-

derstand is a British national, and Zacarias Moussaoui, who I understand is a French national?

Mr. JACKSTA. What I'd like to express here is that if the traveler was coming in and they're from a visa waiver country, they would not have been US-VISIT'd. However, when they do arrive in the United States, there's a layered approach. As I indicated, we have advance information. If we have information regarding a specific person, we put it into our databases, and we would have identified that individual for an inspection.

But I think it's also important to note that we do train our inspectors in a number of areas—document fraud, interviewing techniques—and that training is important to make sure that we have a layered approach. We don't count on one specific type of tool to identify individuals. We bring it all together so that we can respond appropriately.

In the cases of Mr. Reid, hopefully we would have—if we had information, we would have stopped the individual from getting on the plane or arriving in the United States. Then we could have interviewed him at the time of arrival, and at that point, based on the information questioning, hopefully we would have been able to identify him as a concern to United States security.

Mr. HOSTETTLER. Thank you.

Mr. Mocny, as was earlier indicated, the 1996 act initially required an entry-exit system to be put in place. Can you explain why it has taken so long to implement such an entry-exit system?

Mr. MOCNY. Thank you for the question. If I can quickly just verify or just build upon what Mr. Jacksta said on the visa waiver countries, if they're coming under the visa waiver program, they would currently be exempt under the process. If they come with a visa—a British national or a French national coming as a student perhaps—they would have to have a visa. They would go through the US-VISIT process. So it's only under the 90-day-or-less visa waiver program.

As to your question, I guess I referenced the last time I was in front of this Committee, I can only quote what was stated by an Administration official at the time, that there was opposition to section 110 at that time, and there was some disagreement as how to best implement that program. And so to give you kind of an honest answer here, it was—I think many who tried to move the program forward perhaps were met with some philosophical differences. Again, there was no 9/11, and so there was, I think, a debate within both sides of the aisle about whether or not this was the best thing to do. And so for that reason, a lot of progress was not made, and I can only then point to your point, which is after 9/11 and after we moved to the Department of Homeland Security, the focus that the Secretary put on this program, he made it a number one priority for the Administration, so that we were able to meet the date that was put in place in 2000, a modified version of section 110, which still held us to those dates. We were able to meet that date.

So I think for those reasons we were delayed, we were challenged, but we were, thank goodness, able to succeed with the first increment of the process.

Mr. HOSTETTLER. Thank you.

And then, finally, Mr. Martinez-Fonts, can you describe whether US-VISIT has adversely impacted foreign travel to the U.S.? And, specifically, has there been any evidence that there is a significant reduction in travel to the U.S. after the implementation of US-VISIT?

Mr. MARTINEZ-FONTS. We don't have any solid evidence that that has been the case or that has been the cause of it. We have a lot of information on the land borders that it will create it, but there is really nothing at this point that would indicate that, that it has caused any of the downturn in travel.

Mr. HOSTETTLER. Thank you.

I now turn to the Ranking Member, Ms. Jackson Lee, for questions.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman.

Let me follow the line of reasoning that I offered in my opening statement that what we're trying to do is to make this better or to really determine, factually determine whether or not there are some alternative systems that we should be considering.

Mr. Jacksta, one of the points that I did make in my remarks was the issue of staff, and so I would be interested in knowing what staff increases are you anticipating to implement the US-VISIT program at land ports in particular, and how much money are we talking about?

Mr. JACKSTA. At the present time, there is no plans to put additional staff specifically for US-VISIT. We're still working the process to understand exactly how the outbound process is going to work.

On the inbound side of the house, we believe that we can handle the workload that's going to be created on December 31st. So at the present time, there is no additional staffing being put specifically at the land border locations.

But I think what's important to note is that we are doing a couple of other things, and one of the things that we are doing is that we are training our inspectors. Remember that on March 1, 2003, we brought the Immigration and Customs Service together, and as a fact, we basically added a larger number of inspectors available to do the job at the land port of entries. We're training them right now in what we're calling the "One Face at the Border," giving them training so that they can do both the Customs and Immigration processing. In addition, we're giving them additional training so that they'll be able to do the full range of the jobs that were normally done by Immigration.

So that's one of the ways that we're going to multiply the——

Ms. JACKSON LEE. Training existing inspectors?

Mr. JACKSTA. Yes.

Ms. JACKSON LEE. I'm going to come back to you, Mr. Jacksta.

Mr. Hite, how does that—what does that sound like to you in terms of being able to—we like to be called multi-tasked, but does that sound reasonable not having an increased number of staff for this program and to meet the deadline by the 31st, 2004, I understand?

Mr. HITE. Well, certainly for the entry process, which involves very few people who are non-immigrant visa holders coming in across land borders, and those people will be going to secondary,

so the expectation is it's not going to be a large increase in volume there. However, it does depend on certain assumptions as to who will be US-VISIT'd. And it does not include, for example, those with border crossing cards, or it also includes an assumption that it takes about 15 seconds to process someone through US-VISIT, an additional 15 seconds.

So it depends on the validity of those assumptions, which time will tell. The pilot test in Atlanta showed that it required an additional 19 seconds as opposed to 15, and analyses have showed that a very slight increase in processing time then starts to impact wait times in lines.

So it is not an unreasonable assumption at this point, and as this program has evolved over the last year and will evolve over this time, as more and more information becomes known and decisions get made as to how exactly it's going to be implemented in the different ports of entry, then those questions will become clearer.

Ms. JACKSON LEE. Let me just say to you that—if you will answer this question. You had noted that more than a hundred land ports of the city—of entry, of ports of entry have less than 50 percent of the required capacity to support current inspection processes and traffic levels. So I want you to just elaborate on that problem and explain what is needed in this regard. And then if Mr. Jacksta could finish, if I can come back to him, and I'm going to throw the question out, then you can answer.

You mentioned in your statement that there have been 195 verified lookout matches using US-VISIT. How many of those matches related to suspected persons of terrorists—suspected of being terrorists? And then give me your sense and what you are doing about the President's representation to President Vicente Fox that he's going to have some sort of free-for-all down at the southern border? Are you all working on that structure? Are we going to be advised as Members of Congress, on this Committee or Homeland Security, on where we are on that? Mr. Hite, can you just talk about what you were speaking about on the 50-percent capacity?

Mr. HITE. Yes, ma'am. That number, that over a hundred land ports of entry have less than 50 percent of the capacity that they need, that number came from the DMIA task force. That's not the result of our analysis.

Ms. JACKSON LEE. Well, how will you address the problem that that poses?

Mr. HITE. To be honest with you, I don't have an answer to that question. It's probably more appropriately posed to the DHS witnesses to how they intend to address that.

Ms. JACKSON LEE. And so you have just made—you just will continue to make an assessment of the problem?

Mr. HITE. We will continue to monitor that problem and see what's being done to address that limitation?

Ms. JACKSON LEE. But it is one that you have noted?

Mr. HITE. Yes, ma'am.

Ms. JACKSON LEE. Mr. Jacksta, what about it, how would you address that, but also if you will explain about the 195 and the US-VISIT?



Mr. JACKSTA. Okay. One of the things, first of all, the easy question is that as of right now the 195 have not been—none of them have been identified as specific terrorists.

Ms. JACKSON LEE. All right. Thank you.

Mr. JACKSTA. But these were individuals that were of real concern, and obviously when they get into the United States, they could be a threat at any given time. So although we couldn't relate them to terrorists right now, clearly we want to stop them at the border.

Regarding the issue of capacity as we move forward with the land border locations, obviously that's a concern to CBP, to DHS. We want to make sure that we have the capacity to make sure that trade and travel doesn't get inhibited by the program. We're working very closely with the US-VISIT office to make sure that any type of issues that do come up get addressed so that when we move the program out, we're ensuring that we're working together to address both the facilitation side of the house as well as the enforcement side. And I think that before we do move out, we will make sure that we address those concerns and see if the areas that we're moving to have that capacity, and if not, what do we need to do to make sure that the capacity is there to do the job that's necessary for protecting our borders?

Ms. JACKSON LEE. Could you answer the President's proposal?

Mr. JACKSTA. I think I would defer to Bob on that one in the sense that we are working with the foreign governments, the Administration is working with the foreign governments to try to address the whole issue of the land border, making sure we have a number of different initiatives. The Secretary has been involved with the Mexican Government as well as the Canadian Government on these issues. And I know that there's a number of discussions to make sure that once again we continue with the facilitation, and at the same time the enforcement side of the house. And I think we can achieve that working together and having a good working relationship.

Mr. MOCNY. Just to answer your specific question, are we addressing the issues post the President's announcement, yes, we are. There are several working groups that are looking at, you know, how we would get individuals into a program such as this, some of the enforcement mechanisms that would have to be in place, how we would work with the private industry, how the Department of Labor would select the individual companies who might benefit from a temporary guest worker program.

So there is a lot of active discussion going on within the staff level to be able to look at all of the things that pertain to standing up a program such as this. Yes, we are.

Ms. JACKSON LEE. Thank you, Mr. Chairman.

Mr. HOSTETTLER. I thank the gentlelady.

The Chair now recognizes the gentleman from Iowa, Mr. King, for 5 minutes.

Mr. KING. Thank you, Mr. Chairman. I'd direct my questions to Mr. Hite.

Mr. Hite, you've issued two reports that have highlighted the risks of US-VISIT, and largely because of the scale and complexity of the initiative, and you have testified, and more recently, because

of management the office for US-VISIT is understaffed and underfunded. In fact, isn't the underfunding of US-VISIT staff very much a reaction by the appropriators to GAO's earlier reports that you drafted?

Mr. HITE. Congressman, that's not my understanding at all. All we have provided the appropriators are the facts and our analysis of the facts, and the way that they, in fact, have reacted and used them, I cannot speak to.

Mr. KING. And you wouldn't have an opinion as to why the appropriators might have not been as active as they would have otherwise on the funding for US-VISIT?

Mr. HITE. My understanding and my experience in working with the appropriators is that they are supportive of US-VISIT and want it to be done properly and successfully. And it's also my understanding that the funding that has been asked for through the appropriations process has been granted or is in the process of being granted.

Mr. KING. That wouldn't be mine, but as the appropriations have not been up to standards, as has been testified to here, wasn't that actual result to increase the risks rather than decrease the risks?

Mr. HITE. If there are insufficient resources to properly approach this program and manage it in a rigorous and disciplined fashion, yes, sir, that would increase the risks.

Mr. KING. Criticisms of the complications of this process might add to that.

Mr. HITE. From our perspective, we weren't criticizing the fact that it's a complicated process, only that it in fact is, and there is an element of risk associated with doing something very hard and difficult, which argues more for having the right resources and the right controls in place to do it right.

Mr. KING. Are shortcuts necessary to meet the statutory guidelines?

Mr. HITE. On any program, when you are schedule-driven, what you run the risk of is compromising on scope of program in order to meet schedule. So that is a possibility, and certainly for Increment 1, while it was delivered largely on time as promised, there were certain elements of it that weren't delivered on time. And, as an example, the exit capability was intended to potentially be part of Increment 1, and it was not part of Increment 1. And there were certain—there was a sub-system that was to be part of the integration of the systems that was not ready January 5th for deployment and was implemented February 11th.

Those are the kinds of consequences of not having the resources to bring to the table in order to complete something on time.

Mr. KING. Will your office then continue to emphasize the risks associated?

Mr. HITE. Yes, sir, we will identify the risks and try to identify ways to mitigate those risks, and in this particular case, to ensure that that program office gets the resources it needs in order to execute its job.

Mr. KING. Thank you, Mr. Hite.

Thank you, Mr. Chairman.

Mr. HOSTETTLER. I thank the gentleman.

The Chair now recognizes the gentlelady from California, Ms. Sánchez, for 5 minutes.

Ms. SÁNCHEZ. Thank you, Mr. Chairman, and I have an opening statement that I would just ask unanimous consent to include in the record.

Mr. HOSTETTLER. Without objection.

[The prepared statement of Ms. Sánchez follows in the Appendix]

Ms. SÁNCHEZ. My first question is for Mr. Hite. In your testimony you discussed the interfacing of several databases as part of US-VISIT, including ADIS, APIS, and IBIS, among others. When this Subcommittee held a hearing on the CLEAR Act, one of the major concerns was compromising the NCIS database, which is a criminal database, with immigration violations.

I'd like your opinion as to what would be the impact of interfacing all of these databases into one system and whether or not any of them would be compromised or overloaded as a result of compiling them, and, if so, how that could potentially impact our national security?

Mr. HITE. That's a very good question, and when you address issues like that as to what's the appropriate level of integration associated with multiple systems and multiple databases, you can't presume that full integration of these is the best solution. It's all driven by need and requirements associated with the missions that those systems support. And there are legitimate reasons why you separate databases and you separate systems and functions.

So my position on that would be, in order to make an informed decision about what's the proper level of integration among multiple systems, you have to take a top-down approach to identifying what's the set of mission needs that we're trying to satisfy and what's the best allocation of functionality and data associated with that, and then you apply the appropriate level of security around those data sets. So there's not a one-size-fits-all answer to that question.

Ms. SÁNCHEZ. But if the database were—if we were to err on the side of overinclusiveness with the database, could that potentially pose a risk to our national security?

Mr. HITE. I think if you integrate databases without considering the implications of what mixed data portends in terms of access, then, yes, you increase the risk of the security problem, which would definitely—potentially be a national security risk.

Ms. SÁNCHEZ. Okay. Your testimony also raises concerns about the interfacing of several agencies with DHS and how mismanagement can result in inefficiency. Has the GAO to date conducted any research on the interface between US-VISIT and intelligence agencies? And if so, how effective has the interface been? And how, in your opinion, could it be improved?

Mr. HITE. No, ma'am, we have not done any work regarding US-VISIT and its integration with intelligence agencies.

Ms. SÁNCHEZ. Do you think that a study like that would be potentially helpful?

Mr. HITE. It's certainly a relevant question, that if I was the Secretary of the Department of Homeland Security I would be focused on it, so, yes, in that regard, from a congressional oversight standpoint, it's a relevant question.

Ms. SÁNCHEZ. Okay. Thank you.

My next question is for Mr. Jacksta. I'm concerned about the following up, the tracking that US-VISIT does at the entry phase, what you call the status management phase, after a foreign national has already entered the country. How does US-VISIT work with Federal law enforcement and intelligence agencies to determine and differentiate between who is a national security threat and who is a visa overstay that means no harm to the country?

Mr. JACKSTA. If it's all right with you, I'd like to defer to Mr. Mocny. He's specifically working on that issue.

Ms. SÁNCHEZ. Okay. We will pass.

Mr. MOCNY. Thank you. The status management piece, it does occur after the person is admitted into the United States. What we are trying to achieve with that is to make sure that the US-VISIT system, and particularly the ADIS, or Arrival and Departure Information System, has the most up-to-date information about any given foreign national. I use the analogy of someone who wants to come to school here, but they don't know which school they want to go to. So they come in as a B-2 or visitor as an intending student. They look throughout the country, and they find the school that they want to go to, and now they want to adjust status to an F-1 or a student. They would go into the Citizenship and Immigration Services offices to adjust their status from a B-2 to an F-1.

When they came into the United States, Mr. Jacksta gave them 6 months to leave the country as a B-2 visitor. We have to know now that that B-2 doesn't have to leave after 6 months; they are here for the duration of status. And so we update the record to ensure that that person is not sought after by the Immigration and Customs Enforcement agents for spurious reasons.

With respect to the tie-in to the intelligence agencies, again, we will work with the TTIC as it begins to stand up and as we begin to consolidate all the watchlist databases that would enable—perhaps not in the instance I just gave you, which is perhaps the more common one, but perhaps if there's an adverse action, if a foreign national is, in fact, encountered by a law enforcement agent and/or an ICE immigration agent, would that agent have the resources available to him or her to make a decision about, as I said, to release that individual or not?

That is where we need to go. We don't have that information. And so, oftentimes, an adjudicator today will grant a benefit, not being fully informed about what other information we may have on that foreign national, and very similarly, an ICE agent or any other law enforcement agent may make a decision about a foreign national without that full information. That is what US-VISIT is trying to overcome. It's trying to provide the decision makers with the appropriate information so that they make fully informed decisions.

So I don't think we're there yet where we'd like to be. That is certainly some place that we want to get to in the very near future.

Ms. SÁNCHEZ. Thank you.

I yield back.

Mr. HOSTETTLER. I thank the gentlelady.

The Chair now recognizes the gentleman from Utah, Mr. Cannon, for 5 minutes.

Mr. CANNON. Thank you, Mr. Chairman.

I have a question for all of you, and I recognize in asking the question that you're focused on border control as opposed to internal criminality. But I met recently with a group of people who head organizations that deal with immigrants who are here sometimes legally, sometimes illegally, and pointed out to them that there's 10 to 20 times the criminality among those groups who are here illegally as we have in the rest of the population. And after talking about profiling and about how things would work, I asked them if they wouldn't like to see something happen to help solve the problem of criminals who are here in America living today who are typically preying on their own ethnic group.

And I was really actually quite surprised at the reaction. We talked about US-VISIT and whether that, if you applied the program and could identify criminals and you could do it without profiling, could they support the program. I was amazed at how positive they were at that suggestion.

Can each of you, given your different perspectives, talk about what the cost would be and what needs to be done and what the possibilities are of using the US-VISIT program possibly by enabling the local police forces to get an evanescent fingerprint from somebody they pull over because they have a broken tail light or something? And then if they match a database and meet certain criteria, they can be stopped and turned over to the Federal forces, or let go and their fingerprint disappears? Is that a possibility? What would it cost? Do we have—what databases do we need to integrate into US-VISIT to make that work? And is it at all feasible?

Thank you. I'll just listen to all of your answers as you wish.

Mr. JACKSTA. Okay. I'd like to just quickly jump in and say that if a person is coming into the border, we would identify those individuals and we would prevent them. And I think that's important to note. So at least there is a safeguard there that we can utilize that information.

I think also, as we move forward with US-VISIT and we start doing it on the outbound side of the house, where individuals are leaving the United States, we would also be able to stop them and identify them at the port of entries and take appropriate law enforcement action.

Regarding, I guess, the domestic enforcement of the program, I'm not really capable of explaining all the issues that may come up regarding privacy issues and issues along those lines. So I'm not working on that specific issue. Maybe the US-VISIT office is thinking about how they're going to work with the State and locals and might be able to give you a little bit more information on that.

Mr. CANNON. Let me just point out, again, I recognize the difference between the border and internal enforcement, and that they're complicated, also that they may be very expensive. The question is: Is there something here that's worth looking at? And have we made any progress—have we done any thinking about that?

Mr. JACKSTA. I think I might want to add that the system works very well, so what lessons we've learned over the years at the ports

of entry, at the borders, are lessons that probably would be very valuable to any type of domestic program as we move forward.

Mr. CANNON. Thank you. Let me just point out for the record, I agree with that point, that we have learned a lot of lessons. And Mr. Hite talked about the cost and the complexity of a program, and that was a very interesting contribution. But, in fact, we have learned a lot, and so in that context, I'd like to hear from the others about what the possibilities are.

Mr. MOCNY. I'd be happy to. We talk about five main business processes within US-VISIT. There's pre-entry, which is what happens with the Department of State, and anything that happens prior to the individual getting here. There's entry, which, of course, happens at the ports of entry, and that certainly is the focus today because that's the first increment that we rolled out, was the ports of entry. There's also then the status management that Ms. Sánchez raised, exit, and then analysis.

So those are five main business processes that we attain to the program, and it certainly does entertain the issue of using ICE agents.

I mentioned that we do have an overstay list; we now can provide that information to a unit stood up within ICE, the custody of Compliance Enforcement Unit. Those agents then prioritize through a list of those people that they cannot find a departure record for, and then use the information that we've provided to them, be it an address or other contact information to actually go out and locate those individuals.

So we have already begun to see a benefit of having online, not just in paper form, but online immediate access to those overstay information. It's not obviously where we want to be. As I said before, we have to improve upon this. And to say that we now have this opportunity to do all the things that you just mentioned, to provide this information to that Kansas City cop at 3 o'clock in the morning who may, in fact, have in front of him someone that we have interest in, and to have him write a ticket and let that person go when, in fact, that may not be the best interest.

So we will continue to work with ICE, we will continue to work with the Department of State to actually stop people before they get a visa.

Mr. CANNON. Let me just make a distinction of what you said. You said stop somebody that you may have an interest in. Your interests are more narrow than what I'm going after, because I think society has an interest in getting violent criminals out, and then there are more and more, larger and larger groups that we may define as having an interest in. But those will tend to not be the groups that you're looking at as a high priority. And so could you just address the ability to actually use that database for priorities that we may set in Congress or that a State may set and that you have the data and ability to support the enforcement of?

Mr. MOCNY. Absolutely. We on a regular basis get downloads from the FBI, from the NCIC's wanted files. So on a regular basis, Mr. Jacksta mentioned a few of them, and most of the 195 that we have detained have had active warrants from a State. So there was a crime that was committed in New Jersey, in San Diego, in Atlanta, and then we would extradite that individual. More recently,

we had someone just the other day from New York. That person is detained then because that warrant from the State of New York is part of the process, part of the NCIC process. We then—and the State of New York did extradite that individual. We put a detainer on that individual. So after they're satisfied that they have gone through the prosecution for that particular individual, we can then take that person and deport them as appropriate.

So we do work through the NCIC, through the FBI. We are working with the individual States who provide information to us so that we can then take appropriate action when either they show up at a port of entry or that we find them in the interior of the United States.

Mr. CANNON. Mr. Chairman, I don't think the clock was reset, and I am loath to abuse my time, but I do have a couple more questions. I'd like to hear from the rest of the panel if we could do that. I don't know how you want to handle the clock.

Mr. HOSTETTLER. We'll have a second round of questions.

Mr. CANNON. Okay. Have I finished my 5 minutes?

Mr. HOSTETTLER. Yes.

Mr. CANNON. Okay. Setting the clock actually helps because we know where it is. Thank you.

Mr. HOSTETTLER. The Chair now recognizes the gentleman from Arizona, Mr. Flake, for 5 minutes.

Mr. FLAKE. I thank the Chairman and thank the witnesses.

I am still having a hard time distinguishing between, you know, what's happening on the southern border with the border crossing card, what's happening with US-VISIT, what the timetable is. It seems a little unclear.

As I understand it, a DHS fact sheet recently said that laser visa readers will be deployed at all land border points. Does that apply to the southern border as well?

Mr. JACKSTA. Yes, sir. We are deploying a border verification system to read the BCC card. We hope to have them out at the 50 largest land border locations by the end of June. Clearly, we're going to be putting our emphasis on putting them out in the land border locations on the southern border initially.

Mr. FLAKE. For example, I toured the port at San Luis by Yuma where thousands upon thousands come through between the hours of 3 and 6 a.m. to work in the fields and then return. Some are U.S. citizens. Some are legal permanent residents of the U.S. but live in Mexico because it's cheaper. You have a mix of a lot of people that come through.

Right now their card is simply checked visually, the picture on the card and what-not. When that person returns to Mexico at night or the next evening—they are given 72 hours to return. Is it checked or entered or anything at this point?

Mr. JACKSTA. When they're leaving the United States?

Mr. FLAKE. Yes.

Mr. JACKSTA. Presently, sir, we don't do that unless we have a special enforcement action.

Mr. FLAKE. So there's no way to know if they stayed the 72 hours or longer?

Mr. JACKSTA. That's correct.

Mr. FLAKE. When the visa reader—the laser visa reader is installed, will it check whether they’ve been in 72 hours? Automatically that information will be downloaded every time the card runs through the reader, correct?

Mr. JACKSTA. The information that we obtain at the time that the person comes into the United States will verify that the person who is crossing the border and the card that they have are the same person. So we’ll identify them through the biometric fashion. We will not, currently, in the process that we’re putting out there, be able to say whether that person has overstayed previous times unless we have additional information.

Mr. FLAKE. No, no, previous times I understand. But from the point where the visa reader is employed, say if it’s employed in June, from June onward, when that person returns then home, it will—they’ll run it through again, correct?

Mr. JACKSTA. That’s correct.

Mr. FLAKE. Okay.

Mr. JACKSTA. Not when they’re leaving the United States. Only when they’re entering the United States.

Mr. FLAKE. But not when they’re leaving.

Mr. JACKSTA. That’s correct.

Mr. FLAKE. But the visa says they’re eligible to be here for 72 hours.

Mr. JACKSTA. That’s correct.

Mr. FLAKE. If they overstay, then, it’s just a freebie.

Mr. JACKSTA. There’s no—currently, there’s no mechanism to determine whether they have overstayed their 72 hours.

Mr. FLAKE. Wouldn’t it be possible to actually just run the card upon exit? If it’s a biometric card and it can—there’s downloadable information. Is that not possible? Or is that envisioned at some point?

Mr. JACKSTA. I think it’s clearly possible, sir, but it does create a tremendous amount of workload issues regarding individuals starting a process where everybody who leaves the United States is checked. And I don’t think we want to do that right now on a regular basis. We can do it on special enforcement actions.

Mr. FLAKE. How will the primary inspection process differ from what we have today? Say a car pulls through the station, will every person in the car have their cards checked when we have the visa readers installed, or just the driver?

Mr. JACKSTA. Initially, sir, when the vehicle comes up, the inspector will ask the individuals for their identification and see it. If he has any concerns regarding any individuals, he would direct them to a secondary area. In the secondary area, that’s where we would read the border crossing card, not at the primary vehicle lane.

Mr. FLAKE. You stated that border crossing cards will continue to be utilized along the southern border. We won’t use the US-VISIT program or it won’t be photographed every time. But how will we know—I mean, we’ll have the biometric information on the BCC as it is right now. Every time a person goes through they will run that through when we have the visa reader, correct?

Mr. JACKSTA. Yes.



Mr. FLAKE. And if there's a failure, they'll have to go in and get screened again or reissue the card or just deny entrance?

Mr. JACKSTA. Well, once again, when a person's coming across, we're not going to do every individual that comes across the border with the reader. We're going to basically put it in the pedestrian lanes in our secondary areas. When individuals come across, the inspector is going to make a decision on whether there's any concerns regarding the border crossing card or the individual. He or she can use that device at the primary. If there are any concerns or if there's a false read or if there are concerns regarding the documentation, we would send the individual back to the secondary area where a more intense inspection and questioning would take place.

Mr. FLAKE. Okay. So not everybody will have it read, just those identified by the screener as a possible threat or something out of character?

Mr. JACKSTA. That's correct, sir.

Mr. FLAKE. Thank you.

Mr. HOSTETTLER. The Subcommittee will now turn to a second round of questions, and I would like to follow on the gentleman from Arizona's line of questioning.

A concern that I have is the exploitation of loopholes that are created in these various systems, and the US-VISIT program is an entry-exit program. As the gentleman pointed out in his line of questioning, for BCCs, for crossing cards, we don't have an exit at this point to verify the exit of an individual. That's of a concern to me.

But, also, if we could show the border crossing card that's been made available to us, when we talk about the use of biometric data, we have a photo and a fingerprint. The laser readers will read the data that's on the card. The Border Patrol agent will review the photo, but there will be no actual verification that the biometric data—namely, the fingerprint—matches up with the fingerprint of the individual that is presenting the card. Is that correct?

Mr. JACKSTA. No, sir. I believe that when the individual brings the card, the inspector will take the card, put it through the reader. The individual will put his finger on a reader, just like this here, and at that point the card and the finger of the individual should match. If they do not match at that point, the inspector would say, okay, time out here, let's make sure we refer this person to a secondary area and do further inspection.

Mr. HOSTETTLER. And that will be done on every individual that comes through?

Mr. JACKSTA. Not every individual, sir. Based on the issue of during the inspection process, during specific times of the days, we would send—we would use the machine. But every individual coming across the border is not going to have their BCC read.

Mr. HOSTETTLER. Okay. And that would be on a random basis, some basis where we would pull an individual aside to run them through that process that you just mentioned.

Mr. JACKSTA. Right. And there are certain times during the day when we'll be able to do it for every traveler coming across. It's an important tool. The inspectors are going to be utilizing it. The issue it comes down to is does everybody have to be read through that.

There are certain things that the inspectors use, their intuition. There's also factors that have to be taken a look if there is any concerns regarding any type of delays, what type of travelers would be needed to be checked. So it's risk management.

Mr. HOSTETTLER. It's possible that every cardholder will assume that they may be put into a line that's taken and analyzed. Is that correct?

Mr. JACKSTA. That's correct.

Mr. HOSTETTLER. That's good.

One of the other areas that we talked about was the visa waiver program. Now, with the visa waiver program, an individual that comes into the country—let's take Mr. Reid once again, Richard Reid, a British national. If he was able to obtain a passport of an individual who was very similar looking as him, because a visa waiver does not go through the participant does not go through the US-VISIT program, that individual, Richard Reid may look like the individual on the passport but will not be subject to the biometric data. And is that the case?

Mr. JACKSTA. Once again, if he is a visa waiver individual coming under the visa waiver program and he has all the—he presents himself at the port of entry, the inspector would take a look at it, since he's currently a visa waiver program, visa waiver countries are exempt from US-VISIT. It does not prevent the inspector, if necessary, sending him once again back to the secondary area, doing an inspection, taking a closer look. We have equipment out there for our offices that helps them discover any type of fraudulent documents or any type of concerns regarding the documents that are being presented.

Mr. HOSTETTLER. But we're placing that burden on the agent themselves—is that correct?—as opposed to the US-VISIT. And I just want to clarify that because we very much depend on the Border Patrol and others to do that wonderful job. And the purpose for these systems are to aid them in that. And what we don't want to have happen is we don't want a terrorist or criminal or whoever to be able to exploit these loopholes, that if, in fact, we need to look at ways to get rid of these loopholes, whether it's similar to the border crossing card where every individual from a visa waiver program country knows that they may be subject to that—that's probably very controversial, which I've just said. But, still, it is an opportunity for that to be exploited.

Are there any other programs, Mr. Jacksta, that you are familiar with that could be possibly exploited because we will not be subjecting them to US-VISIT?

Mr. JACKSTA. Well, we always want to make sure that we have as much information as possible regarding an individual, and if we have additional information, it allows us to make a decision. Good documents, documents that contain biometrics are clearly the way that we would like to go where we could have the ability to identify individuals, the documents that they're presenting. And I think the Administration is taking a look at a long-term goal to make sure that documents that are issued by foreign governments as well as our documents in the United States have some type of biometric chip. Maybe the US-VISIT office could add a little bit more on exactly what—when that will be happening. But, clearly, from CBP's

perspective and having an officer at the port of entry, the more information they have, the capabilities to identify that the documents are legitimate documents, to identify that the person who's presenting the documents is actually the person who owns the documents, all enhances our security at the border.

Mr. HOSTETTLER. Very good. Thank you.

I don't think we have any others. In conclusion, I want to thank you gentlemen all for your presence here today, and especially for your service to our country, and remind Members that all Members have 7 legislative days to enter into the record extraneous material and make and revise their statements.

The business before the Subcommittee being completed, we are adjourned.

[Whereupon, at 11:30 a.m., the Subcommittee was adjourned.]



## A P P E N D I X

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### MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF TEXAS

The Department of Homeland Security launched US-VISIT at 115 airports and 14 seaports on January 5, 2004. The stated objective for US-VISIT is to enhance the nation's security while facilitating legitimate travel and trade through our borders.

The security measures employed by this program begin overseas at the U.S. consular offices that issue visas. Digital fingerscans are taken at these offices and used to determine whether the applicant is on a database of known or suspected criminals or terrorists. When a foreign visitor with a visa reaches our border and seeks admission into the United States, the fingerscans are used to verify that the person seeking admission is the same person who received the visa, and another check is made for information about any involvement in terrorism or crime. I have heard positive things about the way the entry inspection part of the program is being implemented at airports, but the exit part of the program has not been developed fully yet. The real test, however, will be implementing the program at the land ports of entry.

In FY 2003, 79% of all travelers seeking entry into the United States entered at a land port of entry. Land ports of entry are more problematic for US-VISIT than airports for a number of reasons. Traffic at these crossings consists of varying combinations of cars, pedestrians, bicycles, trucks, buses, and rail. Moreover, land ports pose difficult challenges to the creation of an automated alien tracking system due to their location, infrastructure, geography, and traffic volume, which can vary extensively among ports of entry.

Congress has mandated that an automated entry-exit program be implemented at the 50 busiest land ports of entry by December 31, 2004, and at all land ports of entry by December 31, 2005. I am particularly concerned with the viability of implementing the exit check piece of the program. In addition to the need for additional staff for exit checks that are not currently being done, the existing facilities at land points are inadequate. According to a study performed by the Data Management Improvement Act Task Force, more than 100 of the land ports of entry have less than 50% of the required capacity to support current inspection processes and traffic levels. Apparently, DHS plans to address this problem by constructing interim facilities at 50 ports of entry.

I have asked the General Accounting Office (GAO) to provide a witness at this hearing to discuss these and other problems in the US-VISIT program. Randolph Hite, the GAO Director of Information Technology Architecture and Systems issues will tell us about a report issued by GAO on September 2003, which describes the most significant challenges to implementing US-VISIT (GAO-03-1083). According to this report, which Director Hite will update today, the scope of US-VISIT is large and complex; it must meet a demanding implementation schedule; and its potential cost is enormous. The report indicates that many of the difficulties are inherent to the program and cannot easily be changed but others are attributable to an inadequate state of governance and management. The report casts doubt on whether US-VISIT will be able to measurably and appreciably achieve the Homeland Security Department's goal of enhancing national security while facilitating legitimate travel and trade.

Even if the Department of Homeland Security is successful in implementing US-VISIT, the program may not make our country more secure in any significant way. In 1998, a Senate Judiciary Committee Report (No. 105-197) found that, "implementing an automated entry-exit control system has absolutely nothing to do with countering drug trafficking, with halting the entry of terrorists into the United States, or with any other illegal activity at or near the borders. An automated entry-

exit control system will at best provide information only on those who have overstayed their visas." In its present form, US-VISIT only will apply to foreign visitors seeking admission on the basis of non-immigrant visas. It will not include aliens presenting lawful permanent resident documents or visitors from the 27 countries participating in the Visa Waiver Program. Most Canadians are not subject to US-VISIT. I do not believe that we can rely on such a limited program to secure our borders, and I question whether the benefits justify the enormous cost of the program. Thank you.

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PREPARED STATEMENT OF THE HONORABLE STEVE KING, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF IOWA

Chairman Hostettler, Thank you for holding this hearing today. I am encouraged by the progress made in implementing US VISIT. I will carefully monitor the implementation of this program because I believe it is an essential component of our national security.

I was concerned when Homeland Security Under Secretary Asa Hutchinson recently announced that most Mexicans who currently hold a Border Crossing Card (BCC) will not be processed through US VISIT. I believe BCC holders must be processed through US VISIT.

Under current law, Mexicans who use a BCC as a border crossing card can only travel for up to three days in a border zone (within 25 miles of the California, Texas and New Mexico border, and 75 miles of the Arizona border). How do we know whether these cardholders are complying with these restrictions? In addition, we do not know whether another person is posing as the card holder if fingerprints are not verified at each crossing. Currently, DHS inspectors only check a BCC holder's picture by sight.

I look forward to the day when US VISIT will ensure that no BCC holder stays illegally in the country for over their allotted 72 hours. I am encouraged by the progress in implementing US VISIT and will continue to follow it as it develops.

Thank you Mr. Chairman.

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PREPARED STATEMENT OF THE HONORABLE LINDA T. SÁNCHEZ, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA

I'd like to thank Chairman Hostettler and Ranking Member Jackson Lee for convening this oversight hearing for the Subcommittee to look at U.S. Visitor and Status Indicator Technology (US-VISIT), another Bush Administration program related to immigration and homeland security. So far this session, the intersection of homeland security and immigration has been the common theme of this Subcommittee's hearings. We have held two hearings on funding for immigration in the President's budget, a hearing on alien removal under Operation Predator, and now this hearing on the US-VISIT program.

I give credit to the DHS and US-VISIT agents for their hard work in screening visitors. I also commend DHS for recognizing that many travelers across the Mexican border do not need to be fingerprinted and photographed to improve our safety.

It goes without saying that beefing up our homeland security should be our number 1 concern. The question remains, how do we do that efficiently? I find that all of the Bush Administration's programs the Subcommittee has reviewed to date raise serious questions about whether the programs are effective in fighting terrorism, and whether the Administration's programs are stifling legitimate immigration and trade.

The US-VISIT program raises these concerns as well. First of all, US-VISIT is a very expensive initiative that is not improving our security enough to justify the money we are putting into the program. Second, the US-VISIT program wrongly equates immigration with terrorism, and diverts federal resources away from programs and proposals that will make our country more secure. And finally, there is a danger that US-VISIT will hamper legitimate travel and trade.

US-VISIT IS COSTLY, BUT NOT EFFECTIVE

The US-VISIT program is like many other immigration "enforcement" initiatives proposed by the Bush Administration, ineffective yet very costly. Last year, the Department of Homeland Security estimated that US-VISIT will cost \$7.2 billion through fiscal year 2014, and even this estimate may be low. Needless to say, that is an enormous amount of money. But even Department of Homeland Security offi-

cials have confirmed that the US-VISIT program is not successfully identifying terrorists.

At the February 25th hearing on immigration spending in President Bush's budget, I asked Eduardo Aguirre, the Director of U.S. Citizenship and Immigration Services, and Michael Dougherty, the Director of Operations at U.S. Immigration and Customs Enforcement, how many terrorists had been identified and captured using the US-VISIT system. Their answer: zero.

While I was not surprised that no terrorists have been caught using US-VISIT, I am perplexed at how the President can request \$340 million in his FY'05 for a program that has not caught or identified a single terrorist. So the question is: if US-VISIT is not capturing terrorists, what is it doing?

The answer I hear most often is that US-VISIT keeps tracks of who enters the United States and who overstays a visa. I understand the argument that tracking immigrants that enter the country, knowing who is here and who overstayed a visa makes our country safer. But simply knowing who has overstayed a visa is not going to prevent terrorist attacks. The tragic events of 9/11 proved that.

We all know that many of the perpetrators of those horrible acts entered the country on legitimate visas and overstayed. If our intelligence agencies don't have the resources to identify and remove terrorists, then overstay tracking doesn't help to protect us. Therefore, tracking and keeping a database of entrants and visa overstays, like US-VISIT does, would not have prevented the attacks of 9/11 from happening and will not prevent future attacks.

The recent bombings in Madrid and yesterday's bombing in Iraq show that mere tracking of travelers will not provide safety for any country. If we want our homeland to be safe, we need security at our ports, at locations where terrorists can transport weapons, and at the potential terrorist targets. We also need intelligence to identify those who want to carry attacks out.

#### FOCUS HOMELAND SECURITY ON TERRORISTS, NOT IMMIGRANTS

Another important and needed change, if we really want to improve our homeland security we need to put funds into comprehensive immigration reform, and intelligence and federal law enforcement efforts to identify and apprehend terrorists. Our homeland will not be secure if we commit our resources to deporting immigrants who are here contributing to our country.

I've joined my fellow Democrats in repeatedly saying to the President if you want to reform our system, support good immigration bills like the DREAM Act and the AgJOBS bill. Also, by providing an earned legalization program for the immigrants who are here working and following our laws, we identify those visitors who mean to do this country harm and those that don't. Equally important, reducing the visa backlog and allowing families to remain together while immigration applications are pending minimizes the incentive for illegal immigration. By implementing these ideas into law we allow our intelligence agencies to do their job finding terrorists.

Good intelligence is the key to preventing terrorism. We have to combine our intelligence agencies with our international allies' intelligence agencies to eliminate terrorist cells abroad before they attack. Here in the United States, our intelligence agencies must work with federal law enforcement agencies to target, apprehend, and bring to justice those terrorists who have managed to get into the country. This kind of focused, intelligence-based effort will make our homeland safer.

Too many of the Bush Administration's homeland security efforts do not make us safer because they fail to draw the distinction between immigration and terrorism. For example, our hearings on President Bush's budget showed that the Bureaus of Customs and Border Protection and Immigration and Customs Enforcement are seeking the largest increases, \$257 million and \$281 million respectively, over the amounts those bureaus received in FY '04.

If the President wants \$538 million more to apprehend, detain, and deport immigrants in this country, most of whom are here to work and provide for their families, he is not drawing the distinction between immigrants and terrorists. Unfortunately, the US-VISIT program fails to draw that distinction too.

The US-VISIT program will spend billions of dollars to fingerprint, photograph, and read the biometric passports of tourists, visitors, and immigrants who are not threats to our national security. The overwhelming majority of visitors who cross our borders are here for legitimate travel, work, or study, and fingerprinting and photographing these visitors is not going to prevent a future terrorist attack.

Another problem with US-VISIT is that DHS does not have the human resources to follow through on the visa overstays that are identified. Locating, detaining, and deporting visa overstays takes time and federal agents. The testimony we have

heard from DHS officials suggests that they only have the manpower to locate and remove a fraction of the visa overstays that the US-VISIT program will identify.

#### US-VISIT MAY HARM THE ECONOMY

Another concern that we must consider with the US-VISIT program is how this initiative will impact our economy. The US-VISIT program has the potential to have a very damaging impact on our travel and trade industries. I have already heard stories of airplanes landing at LAX in my district and the passengers having to remain on the plane at the gate for hours because of passenger screening backups. That's just one airplane. If you multiply the hours passengers on one plane have to wait by all of the commercial flights into American airports, the delays would be astronomical and our airline industry, airline workers, and their families would suffer.

#### CONCLUSION

I want the Members of the Committee and our witnesses to know that I want our country to be safe and I want to bring every person who threatens our national security to justice. I think that the agents of the Department of Homeland Security, including the men and women who implement US-VISIT, are doing their jobs and working hard to protect our country. However, I think that the Administration needs to review how it goes about protecting our homeland, and how their programs will effect immigration and tourism.

All of us agree that we don't want the events of 9/11, or the recent attacks in Madrid and Baghdad to occur anywhere again. I hope that as we discuss programs like US-VISIT we don't forget about securing our ports and protecting our communities.

Again, I thank the Chair and Ranking Member for the opportunity to express my views. I also thank our witnesses for being her today. I look forward to their testimony and responses to our questions.

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#### PREPARED STATEMENT OF THE TRAVEL BUSINESS ROUNDTABLE

##### OVERVIEW

The Travel Business Roundtable (TBR) would like to thank Chairman Hostettler and Ranking Member Jackson Lee for holding this important hearing, and is pleased to have the opportunity to submit a statement for the record regarding the US VISIT program. TBR is a CEO-based organization that represents the diverse travel and tourism industry, with more than 85 member corporations, associations and labor groups. The travel and tourism industry is an engine for economic development and job creation. Some 17 million Americans are employed in travel and tourism-related jobs with an annual payroll of \$157 billion. Travel and tourism is the first, second or third largest industry in 29 states and the District of Columbia. In the last decade, travel and tourism has emerged as America's second largest services export and the third largest retail sales industry. Our industry is in 50 states, 435 Congressional districts and every city in the United States.

It is impossible to stress enough how important international visitors are to the health of our industry as well as the overall U.S. economy. From 2001 to 2002, international travelers to the United States dropped from 44.9 million to 41.9 million. International visitor spending in the U.S. over that time decreased from \$71.9 billion to \$66.5 billion. And our travel trade surplus of \$26 billion in 1996 plummeted to \$5.5 billion in 2002. This continued downward trend of international visitor patterns has caused federal, state and local government travel-related tax receipts to decline from \$95.5 billion in 2001 to \$93.2 billion in 2002. Moreover, U.S. travel and tourism industry payrolls have dwindled from \$160.3 billion in 2001 to \$157 billion in 2002, and industry job growth remained stagnant at 17 million workers.

TBR vigorously supports the efforts of Congress, the Department of Homeland Security, the State Department and the Bush Administration to establish and implement programs such as US VISIT to protect our country. However, it is vital that the agencies incrementally implementing these programs consider their collective impact on the traveling public. Being ever mindful of DHS Secretary Tom Ridge's admonition about the need to create the proper balance between protecting our homeland and promoting free and open commerce, TBR's goal is to ensure that the paramount objective of protecting our nation's security is pursued in a manner that is effective, coherent and does not unnecessarily compromise our economic vitality.



## US VISIT

The US VISIT program was officially launched on January 5, 2004 at 115 airports and 14 seaports. The system, created by Congress to better track foreign travelers crossing our borders, requires all visitors entering the U.S. with a visa to submit biometric identifiers at ports of entry. The initial phase requires two fingerprint scans and a digital photograph.

Thus far in its implementation, significant delays have not been reported. However, TBR is concerned that the program's technological ability may not be able to incorporate significantly more travelers during peak travel seasons. We are also concerned that, as more information is added to the database, search times may become lengthy and delays may occur.

The exit component of US VISIT, a self-service kiosk, is currently in testing at Baltimore-Washington International Airport and Miami's seaport. TBR has heard reports that the system, because it is voluntary in nature and many travelers are not aware of the need to "check out," may require personnel to guide passengers through it in a timely manner. Thus far in the pilot program, many travelers have simply failed to notice the kiosks, which may create problems for them upon re-entry in the U.S. through no fault of their own.

In testimony before the House Select Homeland Security Subcommittee on Infrastructure and Border Security on January 28, 2004, James May, president and CEO of the Air Transport Association of America and a TBR member, expressed concern that the burden of directing travelers through the exit program might fall on airline personnel. TBR agrees that the airline industry should not bear this responsibility.

In the event of excessive wait times at airports and seaports, DHS has created a contingency plan for mitigating delays. The plan would exempt select travelers from US VISIT screening if delays exceed one hour. DHS Under Secretary Asa Hutchinson testified at the same subcommittee hearing that this system was developed as a precaution and has not been implemented to date. TBR is concerned that this contingency response does not adequately address security objectives and believes a more appropriate response would be the addition of staff and capacity during excessive wait times in order to conduct necessary screening.

US VISIT at our land borders is still being evaluated, with deadlines for its capabilities to be in place at the 50 busiest ports of entry by December 31, 2004 and all remaining land borders by December 31, 2005. TBR believes that adequate staffing and technology must be put in place prior to implementation so that our land borders are not gridlocked.

## THE POTENTIAL NEXUS WITH BIOMETRIC PASSPORTS

The October 26, 2004 deadline requiring travelers from Visa Waiver Program (VWP) countries to present passports with biometric identifiers coincides with the extended deadline for all VWP passports to be machine readable. A potential crisis was avoided with the delay of the machine readable passport (MRP) deadline last October. However, the new biometrics deadline still looms on the horizon. While TBR supports the implementation of these technologies for strengthening security at our nation's borders, we are concerned that enforcing such requirements without allowing sufficient time to meet them will harm our industry, the U.S. economy and our nation's image around the world. TBR supports the immediate passage of legislation that would allow VWP countries sufficient time to meet the biometrics requirement either by postponing the deadline until a date when a majority of the countries estimate they can be compliant or by constructing an incremental waiver program whereby each country's deadline is determined by its progress toward meeting the specified requirements.

The Bush Administration is reportedly considering a solution to the biometrics issue that would involve extending the existing deadline to a yet-unspecified date while simultaneously requiring all VWP citizens to enroll in the US VISIT program. This would subject VWP visitors to the same fingerprint and facial recognition requirements that travelers who carry visas currently face.

While the issue of the biometrics deadline for the VWP countries is significant, TBR believes that the inclusion of VWP travelers in the US VISIT system, by itself, could also create strong negative impacts. Attitudes abroad toward collection of personal data by the U.S. government and the suspect capacity of the US VISIT system to absorb another 13 million travelers without causing significant delays, could lead international travelers to eliminate the U.S. as a potential travel destination altogether. We urge Congress to pass a clean extension of the biometric passport deadline for VWP travelers that does not require their inclusion in the US VISIT program.

## CONCLUSION

According to reports from DHS, US VISIT has already uncovered 30 known criminals and is building on its suspected terrorist watch list. TBR is pleased with this success and with the lack of reported significant delays at ports of entry. However, it is critical that all aspects of the system function in accordance with one another in order to monitor our borders and protect our homeland effectively. Therefore, it is vital that DHS conduct a thorough evaluation of the US VISIT system in its initial implementation phase at airports and seaports to determine where problems might exist, develop projections of capacity for inclusion of additional classes of travelers, test concepts for future implementation phases before they are undertaken and set realistic staffing goals to ensure the success of this endeavor.

A variety of other homeland security issues continue to dominate the travel and tourism industry's legislative agenda. In addition to US VISIT, changes to the Visa Waiver Program (VWP) and other non-immigrant visa policies, the introduction of the Computer Assisted Passenger Pre-Screening (CAPPS II) initiative and other programs collectively place travel and tourism at the vortex. Unique challenges attendant to each, when combined with overlapping common concerns, demand a coherent and harmonized approach to problem solving. TBR has developed a white paper titled *Homeland Security Policy and the Travel and Tourism Industry: Finding the Proper Balance*, which examines these issues in greater detail. The paper is available on TBR's website, [www.tbr.org](http://www.tbr.org).

TBR stands ready to work with Congress, the State Department, the Department of Homeland Security and other relevant federal entities to ensure that those who wish to do harm to our nation are prevented from traveling to the U.S., while those who seek to visit our country for legitimate reasons are treated respectfully and are admitted in an efficient manner. We appreciate the Committee's attention to these pressing matters and offer our assistance in any way.

## MEMBERSHIP

Jonathan M. Tisch  
Chairman, *Travel Business Roundtable*  
Chairman & CEO, *Loews Hotels*  
*Affinia*  
American Airlines  
American Express Company  
American Gaming Association  
American Hotel & Lodging Association  
American Resort Development Association  
American Society of Association Executives  
Amtrak  
Asian American Hotel Owners Association  
ASSA ABLOY Hospitality  
Association of Corporate Travel Executives  
Business Travel News  
Capital Management Enterprises  
Carey International  
Carlson Hospitality Worldwide  
Cendant Corporation  
Choice Hotels International  
The Coca-Cola Company  
Commonwealth of Puerto Rico  
Delaware North Companies Inc.  
Detroit Metro Convention and Visitors Bureau  
Diners Club International  
Fairmont Hotels & Resorts  
FelCor Lodging Trust  
Four Seasons Regent Hotels & Resorts  
Greater Boston Convention & Visitors Bureau  
Greater Fort Lauderdale Convention & Visitors Bureau  
Greater Miami Convention & Visitors Bureau  
Gucci  
The Hertz Corporation  
Hilton Hotels Corporation  
Hotel Employees and Restaurant Employees International Union  
HRW Holdings, LLC  
Hyatt Hotels Corporation

Inc Magazine  
 InterContinental Hotels Group  
 International Association of Convention and Visitors Bureaus  
 International Council of Shopping Centers  
 International Franchise Association  
 Interstate Hotels & Resorts  
 Interval International  
 JetBlue Airways Corporation  
 Las Vegas Convention & Visitors Authority  
 Loews Hotels  
 LA INC, The Convention and Visitors Bureau  
 Lufthansa Systems North America  
 Mandalay Resort Group  
 Marriott International Inc.  
 Maryland Office of Tourism Development  
 McDermott, Will & Emery  
 The Mills Corporation  
 Nashville Convention and Visitors Bureau  
 National Basketball Association  
 National Business Travel Association  
 National Football League  
 National Hockey League  
 National Restaurant Association  
 Nederlander Producing Company of America  
 New York University  
 Northstar Travel Media, LLC  
 NYC & Company  
 Omega World Travel  
 Pegasus Solutions, Inc.  
 Philadelphia Convention and Visitors Bureau  
 PricewaterhouseCoopers, LLP  
 Smith Travel Research  
 Starwood Hotels & Resorts  
 Strategic Hotel Capital Inc.  
 Taubman Centers, Inc.  
 Tishman Construction Co.  
 United Airlines  
 Universal Parks & Resorts  
 United States Chamber of Commerce  
 United States Conference of Mayors  
 USA Today  
 Vail Resorts, Inc.  
 Virginia Tourism Corporation  
 Walt Disney Parks and Resorts  
 Washington D.C. Convention and Tourism Corporation  
 Waterford Group, LLC  
 WH Smith USA  
 World Travel and Tourism Council  
 Wyndham International  
 Zagat Survey, LLC

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PREPARED STATEMENT OF THE TRAVEL INDUSTRY ASSOCIATION OF AMERICA

The Travel Industry Association of America (TIA) submits the following comments for the record.

TIA is the national, non-profit organization representing all components of the \$528 billion U.S. travel and tourism industry. TIA's mission is to represent the whole of the travel industry to promote and facilitate increased travel to and within the United States. Our more than 2,000 member organizations represent every segment of the industry throughout the country.

International business and leisure travel to the U.S. is a vital component of our national economy. In 2002, over 42 million international visitors generated \$83.5 billion in expenditures, \$12 billion in federal, state and local tax revenue, and accounted for one million jobs nationwide. International travel and tourism to the U.S. is a service export, and in 2002, generated a positive balance of trade of \$5.5 billion.

International visitation has continually declined over the past three years. Overseas travel to the U.S. was down 31.8% in 2003 compared to 2000 levels. This de-

cline has drastically reduced the flow of tax revenue to all levels of government and reduced our international balance of trade. Since 2000, the loss of international travel to the U.S. has cost our economy \$15.3 billion in expenditures.

The decline in travel is due to a variety of reasons, including fear of travel because of terrorism, a downturn in the global economy and confusion over new U.S. visa and border security procedures. While some of the causes are beyond the reach of an individual country, actions by the U.S. government can either enhance or harm our nation's ability to attract increased international travel to the U.S. and create more jobs and economic opportunities for states and cities across the country. For this reason, the US-VISIT program must be implemented with traveler facilitation as one of its primary goals. Otherwise, international travelers might not wish to return to the U.S., or may be deterred from visiting in the first place.

TIA supports the US-VISIT program as envisioned for airports and seaports. TIA believes that the program meets the Department of Homeland Security's dual missions of enhancing the nation's security and protecting the economy. By developing a system that verifies the identity of travelers quickly and efficiently, US-VISIT adds to the protection of the homeland while ensuring the continuous flow of legitimate international travelers entering and exiting the country.

However, TIA does have several concerns about the implementation of the US-VISIT program. Congress should seriously consider these issues as the program moves forward.

#### POSTPONE DEADLINE FOR BIOMETRICS PASSPORTS

The Enhanced Border Security and Visa Entry Reform Act of 2002 introduced a new security element to traveler documentation which is a fundamental component of the US-VISIT program: biometric identifiers. Capturing a person's biometric and using it as part of the entry process will allow inspection officials to know the person before them is the same person to whom the passport or visa was issued. Biometrics are just now being incorporated into newly-issued U.S. visas. They will also be required in all new passports issued by the 27 countries participating in the Visa Waiver Program beginning on October 26, 2004.

TIA supports the use of biometrics in travel documents. However, most of the Visa Waiver Program countries will not be ready to issue these newer biometric passports until late 2005 at the earliest. Missing the deadline would mean that many leisure and business travelers from those countries would have to obtain visas for entry into the U.S. The State Department estimates that as many as 5 million VWP travelers would be affected by this deadline.

Forcing Visa Waiver Program travelers to get visas will deal a crippling blow to an already ailing travel industry. Approximately two-thirds of all *overseas* (excluding Canadian and Mexican) business and leisure travelers, or nearly 13.5 million visitors, enter the U.S. under the Visa Waiver Program. Overseas travel to our nation is already down 32% over the past three years. Additional losses will send even more workers from the travel and tourism industry to the unemployment line. It is unrealistic to expect travelers accustomed to visa-free travel to spend the money and time to obtain a U.S. visa to visit our country. Especially when these travelers have many other appealing international destinations that are visa-free. Additionally, the State Department lacks the capacity to meet this potential increase in demand. A loss of those 5 million travelers would cost the U.S. economy \$15 billion in sales and thousands of jobs.

It is important to note that the U.S. Department of State will not be able to start issuing biometric passports until well after the October deadline. While the State Department is not required by law to do so, it is hypocritical for the U.S. to require other countries to do what we cannot.

The October 26 deadline is a Congressional mandate. The Administration does not have the authority to extend the deadline. *Therefore, TIA calls on the House Subcommittee on Immigration, Border Security, and Claims to support at least a one-year extension of the October 26 deadline.* By doing this, Congress will provide the time necessary to allow these important trade and political allies to begin producing passports in a way that will not discourage inbound international travel to the U.S.

#### CONCERN OVER DELAYS

TIA is very pleased that enrollment in the program has only added an average of 10 to 15 seconds to the normal inspection process. We commend Homeland Security for their efficiency.

It is critical that this level of performance be maintained during peak travel periods and also when the U.S. travel and tourism industry recovers its lost market share. As stated above, overseas travel to the U.S. has dropped by approximately

one-third over the past three years. TIA is concerned that Homeland Security will not have sufficient personnel to maintain a 15-second US-VISIT inspection time when international visitation returns to 2000 levels. TIA urges Congress to provide adequate funding so that Homeland Security will have sufficient inspectors available to immediately meet the demands of peak travel periods.

While TIA is pleased with the efficiency by which individuals are processed, TIA also believes it is important to process entire flights in a timely manner. The time an individual spends at primary inspection is not the only time issue. There is also the concern over how long an individual waits to finally reach a primary inspection booth. TIA supports the original Congressionally mandated goal of a maximum wait of 45 minutes per individual. Although this mandate was repealed in the Enhanced Border Security and Visa Entry Reform Act of 2002 (PL 107-173), TIA believes it is still a useful and important goal for Customs and Border Protection inspectors to meet. *TIA urges Congress to allocate funding to provide sufficient inspectors for the US-VISIT program both to meet the 15-second individual inspection time and to keep the wait in line to under 45 minutes.*

If primary inspection is perceived to be too much of a hassle, many visitors will be discouraged from returning to the U.S. in the future. Additionally, long lines at primary inspection can create a chaotic environment that is both disruptive and places pressure on inspectors to shorten their review of travelers. It is critical that the US-VISIT program have the requisite staff to keep wait times and inspection times to a minimum. Otherwise, both our security and our economy will suffer.

#### OUTREACH TO TRAVELING PUBLIC

*TIA urges Homeland Security to increase efforts to educate the international traveling public about the US-VISIT program.* International travelers coming to the U.S. for business and pleasure should be told who is impacted, and who is not impacted, by this new program. Visitors need to understand in advance what to expect in the process, and what they can do to make the process go more smoothly.

The international traveling public increasingly perceives that the myriad of new security rules is creating a "Fortress America." International travelers do not just consider the impact of a single rule, but view all rules and programs in total. They have noted the increase in visa fees, new visa interview requirements and growing visa denials. They are also aware of machine-readable passport deadlines, the future use of biometric identifiers in U.S. visas and Visa Waiver passports, collection and use of advance passenger information, or API, along with US-VISIT.

By and large, these new rules and requirements make sense from a homeland security perspective, and TIA supports these efforts to enhance national security. But for many prospective international visitors, wave after wave of new travel requirements paint a "big picture" that the United States is becoming a destination that is too difficult to enter, too expensive to visit and simply not worth the effort. In their opinion, the "welcome mat" has been pulled. TIA has heard accounts of how this negative perception has resulted in lost business. While the Department of Homeland Security cannot respond to every misperception and rumor, the opportunity exists to set the record straight on the US-VISIT program and tell international travelers exactly what the program is and who it affects.

In conclusion, Congress must act in two areas to ensure the continued success of the US-VISIT program and allow the U.S. to remain a viable destination for international travelers. Congress must act immediately to extend the October 26 deadline on biometric passports by a minimum of one year. Congress also must ensure that the US-VISIT program has sufficient funds and personnel to meet security and efficiency objectives. TIA also urges the Department of Homeland Security to increase outreach and education efforts to the international traveling public.

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#### PREPARED STATEMENT OF RANDEL K. JOHNSON

On behalf of the U.S. Chamber of Commerce, I would like to request that this statement be made part of the record of the hearing entitled "US VISIT: A Down Payment on Homeland Security." The U.S. Chamber of Commerce is the world's largest business federation, representing more than 3 million businesses. The Chamber's federation includes state and local chambers throughout the United States and 96 American Chambers of Commerce overseas. The Chamber's membership includes businesses and organizations of every size and in every sector of the economy. Chamber members with interest in the US-VISIT system include companies and organizations in the travel and tourism industries, companies that import or export goods and services through our ports of entry, companies that do business

with international customers and clients, and companies that employ an international workforce. Chamber members on both the U.S.-Mexico and U.S.-Canada borders, including local chambers of commerce and American Chambers of Commerce abroad that conduct business between the United States and other countries, also have a great interest in the implementation and efficiency of the US-VISIT system.

I am also the chair of the Americans for Better Borders (ABB) coalition, which unites regional business organizations and a wide array of companies and national trade associations representing manufacturing, hospitality, tourism, transportation, recreation and other industry sectors to work to ensure the efficient flow of exports and tourism across our borders while addressing national security concerns. The ABB coalition was originally founded in 1998 out of concern for the impact of implementation of the original entry-exit provision of Section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.<sup>1</sup>

The Chamber and the ABB coalition were instrumental in the creation and passage of the Data Management Improvement Act (DMIA) of 2000, which set the current deadlines for implementation of the US-VISIT program and established the DMIA Task Force, a public-private group chartered in 2001 by the Attorney General to evaluate and make recommendations on how the flow of traffic at United States airports, seaports, and land border Ports-of-Entry (POE) can be improved while enhancing security. I was privileged to be named by the Attorney General to represent the U.S. Chamber on the Task Force in 2002. The Task Force submitted two reports to Congress, one in 2002 and one in 2003. The 2002 report focused on what was then the entry-exit system and detailed numerous challenges to implementing such a system, including the differentiation required for the modes of entry, land, sea, and air, and differences between the northern and southern land border environments. In 2003, the Task Force report detailed the significant challenges facing our ports of entry in terms of infrastructure and technology and the need for greater cooperation and coordination among federal agencies with border responsibilities, with state and local governments, and the private sector. Significantly, in reviewing the progress to date on the US-VISIT system in 2003, the Task Force report included the following recommendation:

That the first phase at air and sea [Ports of Entry] be reviewed and evaluated no later than 6 months after implementation by an independent body. This evaluation must consider the program's effect on national and economic security and international trade and travel. Congress should consider any recommendations from the independent review and evaluation and also reconsider deadlines for all other entry/exit statutory requirements. It is further recommended that any mandates in this area receive appropriate funding.<sup>2</sup>

The Chamber, its members, and the ABB coalition fully support the efforts of the Department of Homeland Security to improve the security at our ports of entry and borders. The purpose of my testimony today is not to denigrate the outstanding efforts of the Department to meet its difficult statutory and security mandates to protect our borders. We do not oppose the US-VISIT system; the Department has worked hard over the last year to listen to the concerns of business and has made significant strides in adopting systems that attempt to balance the need for security and the continued facilitation of legitimate travel at our ports of entry. However, the U.S. Chamber and its members remain very concerned that, if the US-VISIT system is implemented improperly, we risk serious economic harm by impeding the billions of dollars in cross-border trade (particularly at our land borders) and deterring the millions of legitimate visitors to our country, who also spend billions of dollars within our borders.<sup>3</sup>

Before moving into the details and the numbers, however, I do wish to emphasize that there is more at stake here than dollars and cents. As a member of the DMIA Task Force, I was privileged to visit many of the border cities, north and south, and to meet with businesses, chambers of commerce, and individuals which will be di-

<sup>1</sup> Americans for Better Borders, [www.abbcoalition.org](http://www.abbcoalition.org).

<sup>2</sup> *Data Management Improvement Act Task Force Second Annual Report to Congress*, Department of Homeland Security, December 2003.

<sup>3</sup> The Chamber's concerns are no different from those expressed by Congress when it created the Department of Homeland Security. The Homeland Security Act of 2002 gave the new Department, among other things, the mission to: "ensure that the overall economic security of the United States is not diminished by efforts, activities, and programs aimed at securing the homeland." Homeland Security Act of 2002, § 101(b)(1)(F). In addition, the responsibilities of the Directorate of Border and Transportation Security specifically state "In carrying out the foregoing responsibilities [relating to border and transportation security], ensuring the speedy, orderly, and efficient flow of lawful traffic and commerce." Homeland Security Act of 2002, § 402(8).

rectly impacted by US-VISIT. From these visits, it is clear that there is more involved here than just commerce. These communities are so intertwined with those across the border that a way of life is endangered, a recognition that not just jobs, but whole lives will be changed along with the fabric and social underpinnings of communities.

These visits also revealed a skepticism of government, its promises, and its understanding of not only what is at stake under US-VISIT, but the extreme practical difficulties that need to be dealt with in effectively processing the massive traffic at our borders, together with an unrealistic belief in the infallibility of technology. Technology in a laboratory operating under pristine conditions under the direction of a well-trained operator may work well in theory. But, will it be a solution that meets real life demands in outdoor, dusty, alternatively extremely cold and extremely hot conditions, staffed by personnel who will, despite their best intentions, encounter malfunctions and human error in the processing of millions of border crossers?<sup>4</sup>

Phrased differently, will the promises of the government be met when the rubber really meets the road? They may be, but there is a skepticism that you will hear today wondering if it is all possible, particularly under existing deadlines. And it is not an overstatement to say that there is literally no room for error.

Lastly, there is a concern that the government will act too hastily, without sufficient planning and testing, for fear that any delay in meeting deadlines will result in criticisms that "it is weak on security." We would hope that this would not be the case, but this fear, in a political environment, is understandable. However, the stakes are simply too high to allow this to occur and we would hope that the very real concerns over US-VISIT can be weighed in a bipartisan manner.

#### *Air and Sea Ports*

We submitted comments to the Department of Homeland Security on its interim final rule implementing the US-VISIT requirements for visa travelers at air and sea ports on February 4, 2004. I believe the committee has copies of these comments, but I would briefly like to highlight some of our concerns regarding the air implementation here today.

First, although major delays in international arrivals have not been reported from the implementation at US-VISIT at airports (we do not have information about the seaport implementation), we are extremely concerned about the capacity of the system to absorb additional travelers and additional data. This concern arises both on the technology and personnel, and infrastructure level.

The US-VISIT program has so far been operational only during the lowest period for international travel to the United States during the year. As travel season picks up this spring and summer, we expect additional travelers to arrive requiring enrollment in US-VISIT. In addition, we understand that while the system currently is only required of persons holding visas entering the United States, the Department intends to eventually include all non-citizen entrants, with persons from the Visa Waiver Program countries next.<sup>5</sup> To our knowledge, the Department has not demonstrated that its system can meet this extra load.

We noted that Customs and Border Protection (CBP), as an insurance against delays, deployed additional personnel to airports in the initial days of the US-VISIT implementation. We also understand that some of this additional staffing has since been rescinded. If additional travelers during peak season or additional classes of travelers are required to be enrolled in the US-VISIT system, we would strongly urge CBP to devote adequate staff to ensure expeditious processing of all international travelers.

<sup>4</sup>Technology is wonderful, but it will never be a complete panacea as we live in an imperfect world. As the Los Alamos technical support team noted in the DMIA Task Force's 2003 report to Congress, "Border operations goals are dauntingly diverse and, therefore, present unusually challenging opportunities that cannot be addressed solely through technological means." *Data Management Improvement Act Task Force Second Report to Congress*, December 2003, Information Technology Consultant Analysis Summary Report, p. 32.

<sup>5</sup>"It is a problem with the VISIT system that visa waiver travelers are not enrolled," [Assistant Secretary for border policy and planning at the Department of Homeland Security, Stewart Verdery] said. 'We've been talking to [the visa waiver countries] about various options on how that can happen.' . . . [Verdery] said a policy that allows U.S. citizens traveling within the Western Hemisphere and citizens of Canada and other neighboring countries to enter the United States without showing passports could soon change." (Jeremy Torobin, "U.S. Proposes Stationing Passenger Screeners in Foreign Airports," *CQ HOMELAND SECURITY*, February 18, 2004). This would not be a small expansion of those covered as visa waiver admissions were more than 13 million in 2002 (*2002 Yearbook of Immigration Statistics*, Department of Homeland Security, Office of Immigration Statistics, October 2003).

We are also concerned about the technical capacity of the system to expeditiously process larger numbers of travelers. As more and more individuals are added to the US-VISIT biometric databases, in particular the “watch list” databases against which a traveler’s biometrics are checked, the time required to return a “match” or “non-match” is likely to increase, unless the capacity of the system is adequate. We do not know the specific technical capacities of the databases to support thousands of extensive searches conducted simultaneously at ports across the country and return accurate data, but the concern about the time taken for the database search and the accuracy of the data was expressed recently in testimony before the House Homeland Security Committee.<sup>6</sup>

We also have concerns about the proposed exit system for air and sea ports, which is still in the development phases. The current system of exit confirmation is the testing of self-service kiosks located near the passenger security checkpoints at airports. While the concept of a self-service checkout is appealing, and certainly is the least likely to cause disruption or additional backups for departing travelers, the lack of information provided to travelers and the seeming “voluntariness” of the system may, in fact, reduce the effectiveness of the exit system in actually recording departures. The self-service kiosk also provides the traveler with no documentary evidence that he or she has complied with the exit verification, and, therefore, should any discrepancies arise, the traveler will be at a loss to prove compliance.

Given these discrepancies, any method of exit verification must include clear directions to the traveler *upon entry* as to the need to “check out” upon departure and the means by which to do so. Since initially the exit capability will not be available at all airports, we predict a great deal of confusion by travelers as to the exit requirement. We have already received questions via our American Chambers of Commerce overseas regarding whether travelers must exit from designated airports, and if they do not, how their exit will be registered and whether it will impact their ability to return to the United States in the future. A great deal of outreach to travelers (in multiple languages) must be made to avoid inadvertent noncompliance with any requirements for exit verification. We would strongly urge a period of time during which any negative impacts from failure to register are waived until it is clear that most travelers understand and are able to comply with the exit requirements.

#### *Land Borders*

Of course, the largest challenge to the US-VISIT program remains the land borders. *The circumstances of travel at land borders are monumentally different than at air and sea ports and the hurdles are immeasurably higher.* The unique situation of the land borders was discussed extensively in the 2002 DMIA Task Force Report to Congress. The report stated:

There is a marked difference between an inspection conducted at an air or sea POE [port of entry] and one conducted at a land border. Because of their varied status, divergent points of origin, unfamiliarity with requirements and regulations, and the increased risk to the U.S., most applicants for admission at sea-ports and airports receive a comprehensive inspection that includes mandatory data systems checks. In contrast, the great majority of persons arriving at land border POEs are residents of the border area who cross frequently and are familiar with requirements concerning their entry into the U.S. and receive an inspection that may include data systems checks. The vast majority of all border crossings into the U.S. occur at land border POEs. . . . Border traffic includes U.S. citizens who leave and reenter the U.S. multiple times daily, permanent residents who make multiple entries, and aliens who hold non-immigrant visas or border crossing cards and commute back and forth daily or weekly from Canada or Mexico. Individuals can cross land borders as pedestrians, on bicycles, in cars, rails, buses, trucks, or other vehicles.<sup>7</sup>

In fact 80% of all inspections take place at the land borders; over 358 million inspections in 2002 were conducted at land borders, compared to 78 million at airports and 12 million at seaports.<sup>8</sup> The land borders also see the crossing of \$540 billion

<sup>6</sup>Transcript of Hearing before the Subcommittee on Infrastructure and Border Security of the Select Committee on Homeland Security, January 28, 2003, Dennis Carlton of the International Biometrics Group, LLC: “As the size of the database gets bigger, the limited amount of data that can be acquired from the two fingerprints means that the system is going to start returning more and more false matches, because there just isn’t sufficient data to find the matching record in the database.”

<sup>7</sup>*Data Management Improvement Act Task Force First Annual Report to Congress*, December 2002, p. 11.

<sup>8</sup>Source: PAS G-22.1 *INS Statistics*, cited in *Data Management Improvement Act Second Annual Report to Congress*, December 2003, p. 15.



in surface trade between the United States, Canada and Mexico.<sup>9</sup> As these facts and statistics reveal, the land borders represent a significantly larger challenge for the Department in order to ensure that the implementation of US-VISIT does not impede legitimate commerce and travel.

This testimony has given us the opportunity to reach out to the state and local chambers of commerce on the land borders to assess the concerns they have about the impact of the US-VISIT system to their communities. In the short period of time we had to conduct our survey, we found that the volume of trade and economic activity that is at risk at the border is enormous, as are the parallel concerns over the possible impact of US-VISIT. We have attached to this testimony documents, including studies of economic impact and resolutions by some of these local chambers of commerce, but I would like to include in my statement a variety of the facts and concerns cited, from both the Canadian and Mexican borders.

#### *Texas*

The Laredo Port of Entry is the busiest commercial crossing on the U.S.-Mexico border, handling more than 9,000 trucks and over 900 rail cars *each day*. The Port of Laredo processed more than \$32 million in exports and almost \$47 million in imports from Mexico in 2002. In addition, the crossings in Laredo process almost 25,000 pedestrians and more than 43,000 passenger cars daily. According to the Laredo Chamber, “[A]ny delay, no matter how small per entry, multiplies into major congestion.”<sup>10</sup> The Laredo Chamber estimates that at least 50% of local business is directly or indirectly tied to cross-border trade and traffic.

A recent study by Dr. Michael Patrick, Director for the Texas Center for Border Economic and Enterprise Development at Texas A&M University concluded that a 1% decrease in border crossings would cost the Laredo economy \$19 million in annual sales, and increase local unemployment by 7.2%. Sales taxes alone would decline by \$133,000. Across all of the major Texas ports, Brownsville, McAllen, Laredo, and El Paso a 1% decline in crossings would cost the border region \$76 million in sales and 1,500 jobs, and decrease the Gross State Product by \$1.2 billion.<sup>11</sup>

The Brownsville, Texas Chamber of Commerce reported an additional concern: Mexican citizens own approximately 50% of the resort condominiums at South Padre Island. Because the majority of Mexican border crossers hold so-called “laser visas,” Border Crossing Cards that also serve as visitor (“B-1/B-2”) visas that generally restrict their period of stay to 72 hours, the Chamber is extremely concerned that if border crossings become more difficult, many of these owners will divest of their real estate, costing the local economy millions of dollars. If the period of stay for “laser visas” is not extended, long border delays will limit the time that these vacationers can use their homes, making these investments less attractive.

The El Paso international bridges handle almost one-fifth of all trade along the U.S.-Mexico border, more than \$38 million in 2002. Local economists estimate between 15% and 20% of the city’s retail sales are derived from Mexican nationals.

According to the Greater San Antonio Chamber of Commerce, Mexican nationals purchased approximately \$170 million in retail goods in San Antonio last year. Two major malls in the area report that as much as 35% of all sales go to Mexican nationals. Further, according to Visa International, San Antonio has the second largest usage of their credit cards by Mexican nationals in the United States (second to McAllen), with 8.29% of total U.S. purchases.

The Free Trade Alliance of San Antonio, the Greater San Antonio Chamber of Commerce and the communities of Brownsville, McAllen, Laredo, Del Rio, and El Paso have agreed to work together to address these issues. One common goal is to obtain a change to the limitation on the “laser visa” to allow Mexican nationals to stay for longer periods of time and to be exempt from US-VISIT enrollment, since they have already submitted to extensive background checks to obtain the cards, which contain the biometric identifiers required under the US-VISIT system.

#### *Washington*

Whatcom County, Washington has four border crossings, Peace Arch, Pacific Highway, Lynden, and Sumas, accounting for more than 2 million crossings per quarter. The region had almost a one-third drop in crossings since the fall of 2002. While some of this continued the downward trend since the Canadian dollar weak-

<sup>9</sup>Bureau of Transportation Statistics, U.S. Department of Transportation, *North American Merchandise Trade by U.S. State and All Land Modes, 2002*, [www.bts.gov/ntda/tbscd/reports/annual02/state/us-trade-2002-all.html](http://www.bts.gov/ntda/tbscd/reports/annual02/state/us-trade-2002-all.html).

<sup>10</sup>Response to survey by Miguel A. Conchas, President and CEO of the Laredo Chamber of Commerce, February 2004.

<sup>11</sup>Patrick, Dr. Michael, “The Price of Security,” *Inlandport: The Laredo Chamber’s Business and Trade Magazine*, January/February 2004.

ened in the 1990s, it is worth noting that border activity has not increased in recent years as the Canadian dollar has strengthened.

A survey conducted by Western Washington University in the summer of 2003 revealed that Canadian shoppers make approximately 10% of all retail sales in Whatcom County, estimated at over \$35 million. In 2002 the total trading relationship between Washington and Canada was nearly \$11.3 billion. The Blaine, Washington border crossings are the sixth largest crossing in value of trade on the Canadian border at \$9.9 billion.

According to Department estimates, an additional nine seconds of inspection time will result in over 700 additional minutes of cumulative vehicle wait time at the Blaine crossing.<sup>12</sup> Delays at the border after September 11 and during periods of heightened security alert have caused Canadian residents, particularly in the Vancouver metropolitan area, to believe that border crossing is a hassle. There is discussion in British Columbia of running commercials on Vancouver area television encouraging Canadians to return north. Canadian press has reported stories about US-VISIT expressing great concern that it will cause additional delays when implemented. The local chamber of commerce in Bellingham, Washington reports hearing very little about how the Department is intending to implement US-VISIT and is very eager for local community outreach.

#### *Arizona*

The Yuma County, Arizona chamber has concerns about the impact of US-VISIT on the more than 20,000 agricultural workers that visit daily at the San Luis Port of Entry during the agricultural season. Yuma is a county of 170,000 people in the southwest of the state called "the lettuce capital of the country" and depends on this agricultural workforce for its more than \$500 million agricultural industry. According to Ken Rosevear, Executive Director of the Yuma Chamber of Commerce:

It is extremely important that [these workers] are able to cross within a short window of time to be able to coordinate with the busses that transport them to their work areas. These areas may be as far as 50 miles and require another two hours of travel. Waiting times at the border during the season can reach 2+ hours and that delay can cause shortages for that day's labor force in the fields. . . . [T]hese delays can cost millions of dollars in lost revenue per day.<sup>13</sup>

According to the Yuma chamber, a new port of entry at San Luis East is in the early stages of development because of existing congestion at the port of entry, including a new highway to run from the port to Interstate 8. According to Mr. Rosevear, "As far as ability to absorb any further delay in either commercial, auto, or pedestrian traffic, absolutely NONE. This will bring total gridlock to our current port."<sup>14</sup>

The Douglas, Arizona Chamber of Commerce reports similar concerns. Douglas estimates that more than 60% of its retail volume is from Mexican customers, and it underpins the entire local economy. Currently crossing times coming into the United States range from 20 minutes to 2 hours, with lines backing up more than 10 blocks into the town. This traffic backup creates air pollution problems. The regular crossers include employees of the more than 26 maquiladora plants across the border, and farm workers. These workers regularly cross the border each way daily, and sometimes several times.

The Nogales Chamber of Commerce reports that 80% to 90% of business in the town is tied to the border. The largest employers include the more than 300 maquiladora plants, produce companies, government agencies (most tied to the border) and merchants, who estimate that 80% of their revenue is from Mexican customers. Crossing times at the Nogales Port of Entry range from 20 to 40 minutes on average with longer waits during morning and afternoon commute times. According to Department estimates, a nine second increase in inspection times at the Nogales Port of Entry would result in an additional 500 minutes of vehicle wait time.<sup>15</sup> Of significance is the fact that the Nogales Chamber was not aware of US-VISIT or its pending implementation until informed by the U.S. Chamber. Apparently, there has been no outreach by the border agencies to the local Nogales business community.

<sup>12</sup>Department of Homeland Security, US-VISIT Industry Day Briefing, July 2003, <http://www.dhs.gov/interweb/assetlibrary/USVISIT-IndustryConfBrief.pdf>.

<sup>13</sup>Response to survey of border chambers, February 2004.

<sup>14</sup>*Ibid.*

<sup>15</sup>Department of Homeland Security, US-VISIT Industry Day Briefing, July 2003, <http://www.dhs.gov/interweb/assetlibrary/USVISIT-IndustryConfBrief.pdf>.

### *New York*

The Watertown Chamber of Commerce recently conducted a study of the Thousand Islands bridge crossing. The Thousand Islands crossing, which connects Interstate 81 to Highway 404 in Ontario is one of the fastest growing travel routes between Ontario, Quebec and the U.S. southern and mid-Atlantic states and cities, handling more than 2 million passenger cars per year, and forecasting 80% increase in traffic in the next 30 years. What makes this crossing unusual is that almost two-thirds of crossings are for recreation, and 63% of the visits are for more than two nights. Commuter crossings dominate the other major ports of entry on the U.S.-Canada border. As a major gateway between the recreational areas of upstate New York and the "cottage" areas of Ontario and Quebec, Thousand Islands is potentially more susceptible to declines in crossings due to delays, as vacationers may choose to spend their holidays on their own side of the border. The crossing also accommodates more than 1,500 commercial vehicles daily, comprising \$29 million in trade per day, with more than 165,000 jobs in the U.S. and Canada dependent on this trade.

According to the Plattsburgh-North Country Chamber of Commerce, the total economic impact of Canada on the Clinton County, New York area, surrounding the Champlain/LaColle border crossing, is more than \$1.3 billion, including more than 14% of all county jobs, almost \$300 million in annual visitor spending on tourism and retail, and \$8.7 million in county sales tax generated. The Champlain/LaColle border crossing is the only crossing in the eastern half of the continent that does not cross water, and is currently undergoing a major expansion. Yet, still, at the height of the summer vacation season, backups at this crossing can be over two hours.

### *California*

The San Ysidro Port of Entry in California is the busiest border crossing in the world, processing over 40 million passengers and 15 million trucks and busses annually over the past three years. Its sister port at Otay Mesa, primarily a commercial port, handles more than \$20 billion in two-way surface trade annually, averaging more than 5 million vehicles and 11 million people crossing annually in the last five years.

According to the San Ysidro Chamber of Commerce, more than 60,000 people cross the border daily, and two-thirds of this volume are regular crossers, presumably workers. Inbound waits for crossing are often more than two hours, and the chamber estimates that if each car is stopped only 10 seconds longer more than nine hours of delay could result. In the days following September 11, businesses along Main Street in San Ysidro reported more than 90% lost business. Further, there is no infrastructure in place for exit inspections, and no room for expansion; the town of Tijuana starts literally adjacent to the port of entry. Even so, outbound traffic is often backed up more than one hour, even though Mexican customs usually waives most traffic through.

At Otay Mesa, the local chamber of commerce estimates that 95% of business in the town is generated by cross-border trade, both directly and indirectly, much of it the maquila industries that operate facilities on both sides of the border, including Sanyo, Honeywell, Hitachi, Parker Hannifin, and others. One of the main appeals of the area is the availability of a skilled, legal workforce that enters from Tijuana daily.

The El Centro Chamber of Commerce, located just north of the Calexico border crossing, is concerned with the impact on its retail economy. El Centro has a population of about 150,000, but the adjoining town of Mexicali has more than 500,000 "laser visa" holders. The local Costco and Wal-Mart retail outlets depend on this cross-border shopping, and ground has recently been broken on a large new regional mall with numerous national retailers to serve this Mexican market. Further, businesses in El Centro and farms throughout the Imperial Valley depend on Mexican labor. The El Centro chamber expressed concerns similar to the Yuma chamber of the impact of US-VISIT on the entry of agricultural workers to this vibrant growing center in California.

The Greater San Diego Chamber of Commerce reports that total sales to Mexican citizens represented \$3 billion in retail sales for San Diego in 2000 and 2001. After 9/11, increased border security resulted in decreases in sales of up to 80% for several months.

The Greater San Diego Chamber of Commerce, along with the City of Chula Vista, the City of San Diego, the San Diego Association of Governments (SANDAG), San Diego Dialogue, San Diego Regional Economic Development Corporation, the San Diego World Trade Center, San Ysidro Business Association, San Ysidro Chamber of Commerce, and the South San Diego Economic Development Council, has

formed the San Diego Alliance for Border Efficiency. One of its goals is to mitigate the impact of US-VISIT on southbound border congestion by ensuring the development of necessary infrastructure prior to implementation.

#### *Michigan*

The Detroit/Windsor border crossings account for more than 27 million inspections annually and almost \$100 billion in trade. These crossings account for almost 40% of all U.S.-Canada trade, with the Ambassador Bridge being the single busiest border crossing along the northern border, handling 25% of U.S.-Canada trade itself. The automotive industry alone accounts for more than \$300 million of this daily trade. More than 160,000 jobs in Michigan and 1.8 million jobs nationwide are tied to the export of manufactured goods to Canada. Thirty-eight states and Puerto Rico have Canada as their primary trading partner, and half of U.S. exports to Canada are produced in 14 states. Of the passenger crossings, the majority of noncommercial crossings are locals. More than 10,000 people cross the border in Michigan to work, including more than 1,600 nurses in the city of Detroit. One hospital estimates that 15% of its nursing staff, and 20% of its critical care nursing staff, cross the border from Canada.<sup>16</sup>

The efficiency of these border crossings is extremely fragile. Following the September 11 attacks, additional security at the Detroit border crossings resulted in 20 mile delays on the Canadian side, taking five hours to enter the U.S. However, delays as little as 20 minutes for just-in-time parts deliveries can result in assembly line shutdowns, increased costs to reroute trucks or ship cargo by rail, barge, or air, and create emergency inventory stockpiles (the exact costs that just-in-time was supposed to replace).

In a June 1998 Senate Judiciary Report on the original entry-exit system proposed by Section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Dan Stamper of the Detroit International Bridge Company is cited as estimating that additional entry and exit procedures that would add only 30 seconds per vehicle (for only half of the daily crossings) would still add 3,750 minutes of extra processing time per day. Since there are only 1,440 minutes in a day, this effect would essentially shut down the border. In a February 26, 2004 letter to the Detroit Regional Chamber, Neal Belitsky, Executive Vice President of the Detroit & Canada Tunnel Corporation (which operates the Detroit-Windsor Tunnel), stated:

Our facility is typical of those at the other major crossings between Michigan or New York and Ontario. The Bridge & Tunnel Operator's Association (BTOA) represents these crossings. Plazas were not designed for today's traffic volumes or the post 9-11 environment. . . . We are concerned that the system may not be fully field tested prior to installation. This could lead to significant disruptions in cross border traffic and trade. Has an assessment been completed that will indicate both anticipated volumes and risk?"<sup>17</sup>

#### *These Concerns Are Not Limited to Border Communities*

While the above statistics, we believe, are compelling in terms of painting a realistic picture of what is at stake in our border communities if US-VISIT results in increased delays, we realize that it may be deceptively easy to dismiss all of this as a "border issue," which perhaps only the members of Congress from northern and southern border regions need be concerned about. Unfortunately, this misimpression characterized much of the debate surrounding reform of the original Section 110.

*This would be a mistake.* While we have not yet been able to quantify what the ripple effect increased border delays might have on downstream commerce and throughout the American economy far beyond our ports of entry, it can hardly be gainsaid that we do live in a nation in which virtually all parts of the economy are interdependent and that an adverse impact on one part will, like falling dominoes, adversely impact others. Perhaps the relatively recent 2002 West Coast port strike most vividly makes this point. There, a work slow down, as a result of a complex labor-management collective bargaining dispute at 29 West Coast shipping ports, delayed about one billion dollars in daily shipments. The adverse economic impacts of the delays rolled through the American economy, resulting in President Bush invoking the rarely used national emergency dispute procedures of the National Labor

<sup>16</sup>Testimony of Dan Cherrin, former Director of Federal Public Policy of the Detroit Regional Chamber before the Standing Committee on Industry, Science and Technology of the Parliament of Canada, November 1, 2001.

<sup>17</sup>Letter to Claudia Berry, Public Affairs Group, Detroit Regional Chamber of Commerce, from Neal Belitsky, Executive Vice President, Detroit and Canada Tunnel Corporation, February 26, 2004.

Relations Act. This one example alone demonstrates the obvious: that the concerns surrounding US-VISIT should be considered national in character.

#### *Conclusion*

As can be seen from the previous information, there is a great deal of concern among the communities along the border regarding the implementation of additional border controls. The economic activity dependent on the border in these communities is significant, and the trade and travel volumes also are important for states in the interior. Canada is the number one trading partner of the majority of states in the United States. Canadian tourism contributes \$8 billion to the U.S. economy. U.S.-Mexico trade amounts to more than \$200 billion and more than 10.8 million Mexicans visit the U.S. annually.

As stated in our comments to the Department of Homeland Security, we are concerned that the proposed implementation plan for US-VISIT at land borders, as outlined in the Department's Request for Proposal for a Prime Contractor for the US-VISIT program and as outlined today by Undersecretary Hutchinson, while taking into account some of the concerns of the business community previously expressed, will not be adequate for the challenges of the land border environment.

As the government has testified before Congress, initial implementation at the land borders is planned to be limited-applying only to those holding visas, and conducted away from the primary vehicle and pedestrian inspection lanes in the secondary inspection facilities. The exit portion of the system is envisioned to be accomplished via radio frequency cards and readers in exit lanes. However limited this implementation may be, it may still result in additional delays to important border crossers—such as the thousands of agricultural workers that cross the Mexican border, or professional commuters at the Canadian border. Since many of these individuals cross on a daily basis, the Department must consider whether daily registration in the US-VISIT system is necessary. We have also expressed concerns regarding the capacity for even this limited implementation at the secondary inspection facilities at land borders. Finally, there is no assurance that this described implementation will in fact be that which is actually deployed in December 2004, and it seems likely that the universe of individuals covered will ultimately be significantly expanded.

In summary, although the Department has taken the legitimate concerns of business and local communities regarding the implementation into account, there is a great deal of skepticism that the proposed system will not impede legitimate travel and trade. We have heard repeatedly from our local chamber affiliates that there has been a lack of outreach by Department officials, and many questions regarding the proposed system have yet to be answered.

Thus we urge the Department and Congress to provide additional time for implementation of the land border portion of the US-VISIT system, unless the government can publicly and thoroughly demonstrate, in advance and with thorough testing under realistic conditions, that whatever entry-exit system it may impose can be implemented with no additional delays at the borders.

I wish to thank you for this opportunity to share the views of the U.S. Chamber of Commerce.

